113, 648 ED1 Rumania

[For the text of the Treaty of Guarantee between Poland and Rumania, signed at Geneva, January 15, 1931, see EA1 Poland, 31: Retinger, Category 116, pp. 237-239.]

113, 648

Rumania ED1

[For a discussion of Soviet policy vis-à-vis Rumania, as exemplified in the establishment of the Moldavian Soviet Republic and the annexation of Rumanian Bessarabia, see 21; Kolarz, R1 Soviet Union, category 116, pp. 150-152. Bibliographic notes appear on pp. 161-162.]

648, 665, 642, 433 Rumania ED1

[For the economic and political position of Rumania under Soviet control since the death of Stalin, see 85: Zinner, R1 Soviet Union, category 116, Pp. 157B-163B.]

113, 439, 648 Rumania EDl

[For a discussion of the nature, scope and probable future trends (up to 1970) of Soviet economic relations with the East European satellites since World War II, and the degree of inter-satellite economic integration, see 60: Bergson, Rl Soviet Union, category 116, pp. 321-355]

642 these "antiquated" forms and sancrosanctly adopted the constitutional tenets of Stalinism.[3]

Compared to the earlier document the new Constitution contains certain features which seem to corroborate the complete Sovietization of the country. In fact, were it not for political expediency in the field of foreign affairs, the incorporation of the People's Republic of Rumania into the USSR as a constituent member would be only a matter of sheer formality, necessitating merely the amending of the USSR Constitution.

● [648] Short of this final step, however, the new Rumanian Constitution provides, in an almost unique manner in constitutional law, for the freezing of Rumania's foreign policy by incorporating in the text friendship and alliance with the USSR. Whereas the former Constitution completely failed to mention the USSR, the present document refers to the Soviet Union and the Red Army not less than five times. The USSR is depicted as the liberator of the country, whose friendship ensures "the independence, state sovereignty, development, and flourishing" of Rumania (Paragraphs 2 and 4 of the Introductory Chapter and Article 3).

[565] The basic features of the new society are outlined in Chapter I. It defines the People's Republic of Rumania as a "state of the working people of town and countryside" (Article 1). The political foundation of the state is the "alliance of the working class with the working peasantry . . . in which the leading role is held by the working class" (Article 2). Thus, for the first time in a Rumanian constitution, the preponderance of the working class is formally
665 acknowledged. Furthermore, the central strategic position of the Communist
642 Party and its implicit identification with the state is, as in the USSR, legally declared (Article 86). In fact, notwithstanding the discrepancies existing between the constitutions of the people's republics, their main difference from the Stalin Constitution has thus far concerned the legal position of the Party. Whereas Article 126 of the USSR Constitution openly refers to the Party as the vanguard in "the struggle to strengthen and develop the socialist system," the satellite constitutions typically make no mention of its role. The Hungarian Constitution of 1949, which until lately was considered as the most advanced, faintly refers to it in Article 56. In reference to the right of organizing, this Article asserts that the state "in fulfilling its tasks . . . bases itself . . . on the working class, led by its *advanced guard* (emphasis supplied) and supported by the democratic unity of the whole people." Even the new Polish Constitution of 1952 fails to acknowledge the exclusive role of the Communist Party. Although the provisions of Article 72 have merely theoretical importance, as

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642 [3] In fact, all component chapters of the Constitution proper—the Social Structure, the Supreme Organ of State Power, the Organs of State Administration, the Local Organs of State Power, the Courts and the Prosecutor's Office, the Fundamental Rights and Duties of Citizens, the Electoral System, the Arms, Flag and Capital of the Rumanian People's Republic and the Procedure for Amending the Constitution—have an equivalent in the Soviet Constitution. Indeed, some of the articles have been copied verbatim.

III. Churches under the Communist Regime

1. Basic Provisions

175 642 Although Romania has been ruled by Soviet Russia since its surrender in August 1944 and is actually governed by a Communist Cabinet appointed by Moscow in March 1945, the beginning of the Communist regime is set as of January 1, 1948, e. g., after the King's abdication and the creation of a People's Republic, since the main revolutionary social reforms have been enacted after that date.

● 648 798 Romania signed and ratified the Peace Treaty with the Allied Nations (Official Gazette No. 199 of August 30, 1947). According to clear stipulations of the treaty Romania is bound to translate into national legislation its main provisions and apply them strictly. Article 3 of the Peace Treaty reads:

> "Romania shall take all measures necessary to secure to all persons under Romanian jurisdiction, without distinction of race, sex, language or *religion*, the enjoyment of human rights and *fundamental freedoms*, including freedom of expression, of *press and publication*, of *religious worship*..." (Italics supplied.)

The freedom of religious worship was, therefore, considered as a fundamental one and the Romanian Government was supposed to make no discrimination between the different churches of rites of various denominations existent and practiced within its boundaries.

642 798 The first attempt to comply with these provisions was made through the new Romanian Constitution enacted on April 11, 1948.

another denominational jurisdiction. Disregarding the ecclesiastical rules of the denomination, the decree provides that the assets of the parish are transferred to the denomination chosen by the parishioners who leave the parish in proportion to their number as compared with those remaining in the parish. In case 75 percent leave a creed, its entire assets, including the church building, are transferred to that adopted by the parishioners. The implication of this rule is discussed infra under 5. 659 425

The religious denominations may maintain with other countries only such relations as are of a religious nature and they must be carried after approval of the Ministry of Religious Affairs and through the medium of the Ministry for Foreign Affairs. These provisions were intended to interrupt direct contact between the Roman Catholic Church in Romania and the Holy See, required by the dogma and organization of the Roman Catholic Church. 659 648 ● 794

Any direct communication by Catholic prelates in Romania with the Holy See could be brought, in view of these provisions, under the provisions of the Decree of August 12, 1950, on state security which threatens with the death penalty:

a) "Treason to the country, rendering service to the enemy or causing prejudice to the power of the state;

b) Procurement and the transmission of state secrets to a foreign or enemy power;. . ."

Unfortunately, there were several instances in which expulsion or conviction was imposed upon the prelates and minister

of the Roman Catholic Church in connection with these provisions. 659
Reference is made to the case of Archbishop O'Hara, Monsignor 648
Guido Del Mesti and Monsignor J. Kirk expelled on July 6, 1950, and other members of nunciature who were convicted on July 4, 1950, the case of Bishop Augustino Pascha, on September 10, 1951, and four other Catholic priests on September 7, 1951.

By Decree No. 178 (Official Gazette No. 178 of August 4, 659
1948) the ~~Minister~~ of Religious Affairs was reorganized to fit the new tasks and was empowered to exert complete control over all religous denominations in the country.

Later on, by Decree No. 37 (Official Gazette No. 30 of February 5 1949) its administration has been simplified in fulfillment of a general order requiring the dismissal of a number of public servants.

After this reduction in personnel, the Ministry of Religious Affairs concentrated only on control and laic matters and dissolved divisions dealing with some spiritual questions, documentation and studies.

The law for general regulation of the creeds has been, 659
later on, implemented by Decree No. 243 (Official Gazette 217 795
of September 18, 1948) by which the number of dioceses for each recognized creed was strictly fixed on the basis of 750,000 worshippers per diocese, as follows:

Greek Orthodox	17 dioceses
Greek Catholic	2 dioceses
Roman Catholic	2 dioceses

175 665 thereafter they drifted apart again.[13] In January, 1925, the National party of Transylvania temporarily fused with the historian Iorga's National Democratic party (to which Argetoianu now belonged). In May, 1925, a United Opposition, including Iorga's group, Maniu's Transylvanians, and the Peasant party, was temporarily established and demanded the resignation of the government. Averescu did not join the opposition bloc and it was rumored that he had a secret understanding with the Liberals to succeed them. In elections to the newly created Chambers of Agriculture,[14] 44 out of 75 districts were won by the United Opposition, 27 by the government, and 4 by the People's party. The tide seemed to be turning against the Liberals.

One reason the Liberals were able to maintain their position in the face of a growing if uncoordinated opposition during the years from 1922 to 1925 was the perennial fear of bolshevism, which in turn served to weaken or discredit all radical or reformist movements. On 648 175 the international level Soviet-Rumanian relations were very bad because of the unresolved Bessarabian dispute. A conference held in Vienna in April, 1924, failed to bring any agreement between the two disputants.[15] Each side accused the other of plotting aggression and each took measures which aggravated the tension. The creation in 1924 of a Moldavian Soviet Republic on the left bank of the Dniester and ominous Soviet speeches forecasting the ultimate reunion of all Moldavians increased Rumanian anxiety. At the same time, in February, 1925, Vintilă Brătianu, Minister of Finance and brother of Ion I. C. Brătianu, stated his opposition to returning Wrangel's fleet to the U.S.S.R. because of the danger of a strong Soviet Black Sea fleet, and announced that negotiations were in progress for the cooperation of British, French, and Rumanian capital in the establishment of an armaments and munitions factory in Rumania.[16] Such an announcement obviously matched the Soviet thesis that the Western bourgeois powers were using the eastern European states as advanced bases for an assault upon the U.S.S.R.

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[13] For a discussion of the union of the Transylvanian National party and the Peasant party see below, pp. 140–141.

[14] Chambers of agriculture were established in each district in 1925, with a mixed membership of elected and appointed members. In addition to their agricultural functions, they elected members to the senate. They soon became political instruments and were of very little value in the improvement of agriculture.

113 [15] According to Louis Fischer, on the basis of information obtained from Christian Rakovsky, Litvinov and Trotsky were willing to accept the loss of Bessarabia, but Stalin, Rakovsky, and Chicherin were not. The latter hoped that by means of the Bessarabian issue they could "keep Rumania perennially on tenterhooks." Louis Fischer, *Men and Politics* (New York, 1941), pp. 184–185.

[16] *Times* (London), February 7, 1925.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

In July, 1924, by order of the Commander of the Second Army Corps, 648
the Communist party in Rumania and its associated organizations 175
were dissolved for having violated state of siege regulations and for endangering the security of the state.

Bessarabia naturally suffered badly in the conflict; reports of for- 668
eign observers in these years present a desolate picture of rotting 175
commerce, depressed agriculture, miserable administration and widespread fear and disaffection. The province had been continuously under martial law since 1919. The Rumanians reported frequent Soviet raids, plots, and instigations to violence; the Russians reported brutally suppressed peasant uprisings. Both were taking place. In the notable rising at Tatar Bunar in 1924, which involved a whole village, there is ample evidence of Communist agitation, yet an entire community does not participate in a revolt without serious occasion.

Tension was not limited to Bessarabia; in December, 1924, some 665
400 persons described as Communist terrorists were arrested through- 175
out Rumania. In September, 1925, 28 members of committees of "red" unions were arrested in Bucarest. Disturbances, however, were not solely the result of Left-wing activity. Several anti-Semitic outbreaks occurred, with the usual attacks on synagogues and Jewish shops. On October 27, 1924, Corneliu Zelea Codreanu, later the leader of the Iron Guard movement, achieved his first prominence by shooting the chief of police of Iași; he was subsequently acquitted.[17]

Under these circumstances, in which opposition to the government could so convincingly be depicted as anti-Rumanian, the Liberals, self-appointed guardians of Rumanian patriotism, were somewhat strengthened, whereas the Peasants were continually forced to protest their loyalty and to defend themselves against the charge of bolshevism.

At the beginning of 1926, however, the opposition to the Liberals became more intense. The announcement on December 28, 1925, of Prince Carol's renunciation of his right to the crown in favor of his infant son Michael [18] brought protests from the Transylvanian Nationalists and the Peasants. While expressing their continued loyalty to King Ferdinand, they refrained from voting on the bill of renunciation on the grounds that they had not been consulted on the appointment of the regency which was to govern during Michael's minority. It was widely known that Brătianu and Carol had not got

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[17] For the origins of the Iron Guard movement see below, pp. 226–228.

[18] Carol had gone abroad with Mme Lupescu. Upon King Ferdinand's demand that he return, without her, Carol refused and renounced his right to the throne.

VIII

THE CAROLIST PERIOD: DEPRESSION, 1930–33

178 ALTHOUGH the ten years between 1930 and 1940 were increasingly dominated by the figure of King Carol, and in that sense may be considered as a unit, three more or less distinct phases are observable: a period of confusion and transition from 1930 through 1933, a period of uneasy stability from 1934 to 1937, and a period of crisis from 1938 to 1940. These phases resulted from a complicated intermingling of economic, political, and international circumstances.

● [648] On the international level the decade witnessed the return of the most decisive of all factors in Rumanian history: the impact of great power interests, which had been relatively in abeyance during the first years after 1918 with the collapse of the German, Austro-Hungarian, and Russian empires. As has been seen above, Rumania has been fated throughout its history either to be within the orbit of a great power or caught in a conflict between two or more great powers. Its independence in the nineteenth century had been achieved through a temporary equilibrium of these foreign forces, and the creation of Greater Rumania was possible only because of the power vacuum in eastern Europe. The 1930's saw the revival of Soviet Russia and the hectic ascendency of the Third Reich. The predominance of German influence in the late 1930's and the special turn of events given by the German-Soviet pact of 1939 were of decisive importance in determining the course of Rumanian history.

Internal politics advanced in three stages: a time of political uncertainty accompanied by rapid changes in the government, the breakdown of the older parties, and the burgeoning of new movements; a period of apparent stability during the four years of the Tătărescu administration from the end of 1933 to the end of 1937; a period of royal dictatorship which began with Carol's dissolution of all political parties in 1938 and ended with his abdication and flight after the territorial losses of 1940.

178 Economically, the picture was one of continuous slump until 1934, and then a slow rally accelerating until the outbreak of war in 1939. Industry was the chief gainer; agriculture barely recovered from the losses of the depression. Economic policy underwent a tremendous

175 and it is illustrative of the nature of Rumanian politics that the National Peasant party had by this time already become an "old" party—had outlived the impulses which had created them. He desired a rearrangement of the political mosaic to give due place to "younger" elements and believed that this required the installation of a disinterested government of "personalities." Besides the knowledge that Carol was counting their days, the National Peasants saw their once impressive popularity draining away, through the depression and their manifest failure to bring about the new Jerusalem.

In by-elections of January, 1931, the government lost a number of seats, and perhaps the only safe conclusion one can draw from Rumanian elections is that the loss of government-held seats means an undeniable fall in public confidence. The customary flurry of rumors presaged the government's overthrow, and indeed its negotiations for a second foreign loan were the condition for its remaining in power, as had been the case with Vintilă Brătianu's government three years ● [648] before. On March 10 the loan agreement was signed in Paris, and on April 4 Mironescu resigned. Rumania's outstanding diplomat, Titulescu, was recalled from London—a standard procedure during the cabinet crises of these years—to form a coalition government. Both the National Peasants and the Liberals accepted on certain conditions but Iorga, significantly, voted against it and demanded a cabinet of personalities.

On April 18 Carol called upon Iorga, who, with Argetoianu as his capable hatchet man, formed a cabinet of at least some of the talents. Iorga, announcing his program to be hard work and economy, summoned and immediately dismissed the National Peasant chamber. New elections were held, but even with Argetoianu doing his efficient best at the Ministry of the Interior and with an electoral pact with the Liberals, the government bloc of National Union obtained only 48 per cent of votes. The National Peasants of course were forced down to 15 per cent, and Maniu announced his retirement from politics. The Communists' Workers and Peasant Union won five seats, their first representation in the chamber. Incidentally, none of their members was returned from Bessarabia, reputedly the seat of Rumanian communism; all five were from the industrial centers of Transylvania, the Banat, and Bucovina.

Carol's guiding hand is evident in the creation of the Iorga-Argetoianu government, and after its formation he announced his 159 intentions to preside over cabinet meetings once a week. Nicolae Iorga, the internationally known and incredibly voluminous historian, had never commanded any following beyond a coterie of ad-

665 tiations,[3] and was replaced by Maniu, with Titulescu as Foreign
175 Minister. On January 8, 1933, Maniu again broke with Carol, and on January 14 Vaida Voevod returned to head the government.[4]

By this time the National Peasants were badly disorganized. With Carol's assistance a definite split in the party leadership between Maniu and Vaida Voevod was developing and was to lead to a rupture in 1934. The government itself had not only lost its peasant enthusiasm but under Vaida Voevod's leadership was rapidly drifting into the political habits of the Liberals. On the first of February
668 oil workers at Ploeşti struck over a wage decision, and a fight en-
665 sued between strikers and troops. At the same time in Bucarest some
175 7,000 workers in the state railway shops went on strike. The government hastily proclaimed martial law in Bucarest, Cernăuţi, Galaţi, Iaşi, Timişoara, Ploeşti, and the oil fields. The Communist party and its affiliates were again dissolved, the government passed laws against antisocial and antistate organizations, and over 200 Communists were arrested throughout Rumania. This brought a protest demonstration from the railway workers, troops were called out, and there was a vicious street fight.

To some extent this tension was a fatal by-product of the deepening depression, and the strikes, while obviously having their roots in the misery of the Rumanian industrial workers, were not confined solely to economic demands. Indeed, since the installation of the Groza regime, the Communists have played up the revolutionary elements of the railway strike and the guiding role of the Communist party in it. Even so, the government all too hastily resorted to the
175 very measures for which it had so long taken the Liberals to task.

665 Moreover, while Vaida Voevod was thus combating labor unrest,

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● [648] [3] Rumania and Soviet Russia had not resumed diplomatic relations since the First World War because of their inability to reach any agreement on Bessarabia. In January, 1932, the Poles, with French urging, had signed a treaty of friendship and nonaggression with the U.S.S.R. Now Poland and France were pressing Rumania to do the same. Vaida Voevod, apparently without consulting Titulescu, had instructed the Rumanian representative in Warsaw to negotiate with Litvinov. Titulescu had heard of his move and had objected to the manner in which the negotiations were being conducted and especially to the possibility that Bessarabia might be recognized as a subject of dispute. In this disagreement Titulescu was sufficiently influential to squeeze out Vaida Voevod.

[4] In this instance the specific difficulty arose over the dismissal of Colonel Marinescu, Prefect of Bucarest. Carol had been installing military officers in a number of civil posts. The National Peasant government undertook to replace them by civilians. Colonel Marinescu, in a circular letter, denied rumors that he was about to be removed and said that since he was appointed by the king, only the king could remove him. Mihalache, Minister of the Interior, then demanded his resignation, and failing to obtain it resigned himself. Maniu supported Mihalache and the cabinet resigned.

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farm products, aimed principally at maintaining the prices in the home market by the reduction of various charges and taxes. The Iorga government, however, at once superseded this measure by inaugurating in July, 1931, an export bounty of 10,000 lei for 10,000 kilograms of wheat and 16,000 lei for flour, the cost to be met by a bread tax. The government, however, discovered that it lacked the funds to carry out this measure and discontinued it in 1932. Moreover, it turned out to be largely for the benefit of the export houses rather than the producers and merely tempted Rumanian exporters to engage in wheat dumping. On the other hand the tax on bread, which was to pay the bounty, was borne largely by the peasant consumer.[21] In 1933 and 1934 a different method was tried; the last Vaida Voevod cabinet set up a State Cereal Commission by which the government appeared on the market as a consumer to support wheat prices.

Like debt conversion, the price-supporting measures, which were taken up by the various governments in turn, were not the result of any over-all plan but were simply steps to counteract the depression. In fact, in their effect they ran against all plans for agrarian improvement. The parties, in their programs and writings, had all agreed that the future of Rumanian agriculture lay in intensive farming and in persuading the peasant to abandon extensive cereal cultivation for which his small holding was obviously ill-suited. The bounties on wheat had precisely the opposite effect and led to an even greater emphasis upon cereal production. Between 1930 and 1935 the area under wheat showed a definite, if highly irregular, tendency to rise.

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The governments also undertook to obtain more favorable foreign markets. The first effort, under the National Peasants, was by means of collaboration with the other eastern European states in an agrarian bloc. Through the series of conferences in 1930 the agrarian states attempted to create a program of common action to gain preferential treatment from the industrial states for their agricultural products. Although the agrarian bloc pleaded its case at various meetings of the League and at international conferences between 1930 and 1932, it failed to open markets for agriculture. Its requests were opposed by the maritime states and overseas grain producers as contrary to free trade and the most-favored-nation principle. Madgearu, one of the most eloquent spokesmen for the bloc, declared that the agrarian states did not demand permanent preferential treat-

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[21] Manoliu, *La Reconstruction économique et financière de la Roumanie et les partis politiques*, p. 284.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

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ment but merely assistance to recover from the depression.[22] The whole tenor of international trade policy at that time was against his recommendations, and nothing tangible was achieved. Nor did the various international efforts of 1931–33—the Tardieu Plan, the Stresa Conference, and the London Economic Conference—bring the southeastern European states any substantial benefits in relieving their foreign indebtedness, establishing common economic policy, or providing more favorable foreign markets.

With the failure of international attempts to obtain better markets for its agricultural produce, the Rumanian government was driven toward increasing restrictions and controls. Although Rumania under the Brătianus had pursued a policy of economic nationalism, and was to do so again in the latter half of the 1930's, the commercial and monetary controls imposed by the different cabinets between 1931 and 1933 did not, in their inception at least, appear to be the result of any comprehensive policy but were applied as emergency measures. Many of the steps were taken by Virgil Madgearu, who had been a bitter critic of the Liberals' policy and was later to attack the trend toward increasing protectionism; he repeatedly explained that he was being forced against his wishes into these restrictive measures.

In the spring of 1932 the government introduced foreign exchange controls to preserve the national currency in face of the deteriorating balance of payments and the threat of speculation. Import controls were imposed in December, 1932, and were, according to Madgearu, primarily designed to stimulate exports and only secondarily to restrict imports, although the association of the two was inevitable and followed from the exchange controls.[23] In the summer of 1933 Madgearu declared a moratorium on foreign debts [24] and in the autumn demanded their reduction. In defending these moves he stated that unless markets were opened to Rumanian products the government was left with no alternative but to restrict imports, control exchange, and freeze its foreign obligations. All these moves "served directly or indirectly as an instrument of agricultural protection." [25]

In the same years Rumania was making the first steps toward clear-

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[22] A. Bussot, "Le Bloc des états agricoles de l'Europe centrale et orientale et son programme," *Revue d'économie politique*, 47 (Paris, 1933), 153.

[23] Madgearu, *op. cit.*, p. 238.

[24] Under this measure the equivalents of sums due abroad were deposited in lei in the National Bank; they could not be withdrawn from the country but could be invested in Rumania. Part of Rumania's subsequent industrialization was financed by these captive funds.

[25] Madgearu, *op. cit.*, p. 247.

439 ing agreements and bilateral trade, again in the effort to find markets. In 1931 a trade convention was made with Germany which reduced
648 its duties on Rumanian maize and barley; in 1932 agreements were reached with France for the export of maize and with Germany for meat.

All these steps, however, were defensive efforts to protect agriculture against the depression. It is less easy to find much evidence of attempts to get at the roots of the agrarian question. The different cabinets passed a variety of laws, some of them transparent vote-catchers, others old favorites which each new Rumanian government seemed to pass as a matter of routine. All the cabinets announced their goal of increasing the use of agricultural machinery: the Mironescu government passed an act reducing the import duties on agricultural equipment by two-thirds, the Iorga government in 1932 and the Liberals at the beginning of 1934 granted credits for the purchase of agricultural machinery. To judge from the figures on the consumption of agricultural equipment the results were very slight, at least until 1934 with the beginning of recovery.

The only apparent effort at overcoming the disadvantages inherent in Rumania's system of strip cultivation was a law for the establishment of agricultural associations passed by the Iorga cabinet in July,
[671] 1931. By this law cultivators whose separate properties formed an economic whole could combine to cultivate their land more rationally by the introduction of mechanical cultivation, use of fertilizers, selected seeds, and other technical improvements. Funds required by the associations for this purpose could be obtained through the cooperative and agricultural banks, the state to assume 6 per cent interest on the loans on the condition that the association follow a plan approved by the Ministry of Agriculture. Nothing seems to have come of this law, and a very similar semicollective state-sponsored proposal was attempted by the Antonescu regime a decade later.

In general, 1931–33 were years of steady retreat before the onslaught of the depression. In the course of this retreat a number of economic devices were developed, in Rumania as elsewhere, which were to take on increasing importance in the years to follow. To a considerable extent they had been introduced to protect agriculture, but they were soon to find pleasanter and more lucrative employment.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

page 187

IX

THE CAROLIST PERIOD: NEOLIBERALISM, 1934–37

Survey of Political Events

THE term neoliberalism, which may appear a gross misnomer 665 for these singularly unliberal years, is descriptive of two facts: 1) The Liberal party returned to office and, what is more, remained there for the full term of four years, thus repeating its record as the only party under the 1923 Constitution to achieve such a feat of endurance. Nevertheless, the Liberal cabinet of the 1930's was not the same as the party of Ion I. C. and Vintilă Brătianu. Not only did King Carol really hold the leading strings of political power but within the Liberal party itself (not to speak of Gheorghe Brătianu's Young Liberals) there was a growing cleavage between Gheorghe Tătărescu, the head of the government, and Constantin Brătianu, the third of the elder Brătianu brothers, who was party chief. This split did not become open until later, but Tătărescu as a king's man was clearly moving away from the old lines of the Liberals. 2) The leading ideas of the administration at this time have a certain relation to the doctrine of so-called neoliberalism, which was advanced in the 1920's but which at that time was associated with Averescu's People's party.[1]

The years 1934 and 1935 were a kind of plateau in the troubled 175
history of the 1930's. The depression leveled off and there was a slow 648
move toward recovery. The political party system, while basically completely unstable, did at least pause from the rapid changes of government which had marked the years 1931–33. King Carol seemed less bent on securing a personal political dictatorship. Even on the international scene there was a temporary, if uneasy, breathing spell. The first impulse of fascism which had brought Hitler to power had not set all of east Europe tumbling as had been feared. Rumania reestablished diplomatic relations with the U.S.S.R.[2] The Lit-

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[1] The People's party was a melange of "regenerated" liberalism combined with an emphasis upon order and discipline, plus a great deal of crass opportunism.

[2] Without, however, obtaining a clear statement of recognition of its possession of Bessarabia. For a discussion of this point see Philip E. Mosely, "Is Bessarabia Next?" *Foreign Affairs, 18*, No. 3 (New York, April, 1940), 557–562.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

175 648 tle Entente remained, the Balkan Entente was formed, and people were heard to say that the Balkans were beginning to mature. It was only a lull before the storm but it was perceptible.

175 661 The political history of these years is relatively uneventful. In the elections of December 20, 1933, the Liberals obtained a handsome majority in the chamber. After Duca's assassination and the creation of a cabinet under Tătărescu, a period of comparative quiet ensued. That this period was not one of tranquillity is shown by the repeated prolongations of the state of martial law, which had been applied after Duca's death and remained in force throughout the Tătărescu administration. In reality an intense tug-of-war was going on between the king and Tătărescu on the one hand and the Iron Guard on the other. It was less a conflict than a competition to gain a monopoly on the increasingly nationalist and extremist atmosphere which was pervading Rumania.

The relations between the Carol regime and the Iron Guard were equivocal, to say the least. Duca, leader of the Liberals, was assassinated by the Iron Guard, and yet the efforts of his successor to control the movement were certainly not convincing.[3] The Guard was officially dissolved but it quickly reappeared in a new guise as the All for the Fatherland party and continued to flourish. Even one of the Liberal members of the cabinet, Iamandi, ascribed the growth of the Iron Guard to the fact that since 1929 successive governments, including the Liberals, had tolerated or halfheartedly encouraged it in the hopes that they could deflect it from its more violent aims and find in it allies for combating communism.

Tătărescu said in 1936 that there was an abyss between the Liberals and the extreme Right, both in methods and concepts, but added, rather obscurely, that only a policy of conciliation was possible in a country where one-third of the population was minorities.[4] He held that the Liberals were tolerant of all parties, if they obeyed the law, but could not permit movements favoring either a red or a white dictatorship. There was all the difference in the world, however, between the earnest and efficient manner in which the government pursued the Communist party,[5] and the obvious indulgence

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[3] In the trial of the assassins, for example, it was well known that the Guardist leader, Codreanu, was closely implicated in the murder but he was acquitted.

[4] *Times* (London), April 24, 1936.

[5] It was in 1936 that Ana Pauker, now Rumanian Foreign Minister, was sentenced to ten years' imprisonment, along with 18 associates, on the charge of propagating communism. She gained a good deal of publicity at this time because of public criticism of her treatment in prison and because of a newspaper dispute between *Dimineaţa* and *Universul* over her trial.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

with which the Iron Guard and the other fascist formations were treated. 175 661

By the 1930's the Iron Guard had become the manifestation of a quite powerful current in Rumanian life, a current arising out of the strains and dislocations in the society and intensified by the depression. The government, instead of opposing the current, tried to become master of it, and during these years it took on many of the attitudes and paraphernalia of the extreme Right. Early in its term in office the cabinet pressed for powers to issue decree-laws during parliamentary recess, ostensibly to improve efficiency. In the same year, 1934, the government announced that supervision of telephone calls—wire tapping—was to be extended from international to local and interurban calls. Compulsory labor brigades were introduced in 1936. Carol, for his part, was more and more the flamboyant father of his people. To counter the Iron Guard youth formations he created in 1934 his own youth movement, *Straja Țării*. Carol's own [575] activities may in part be ascribed to his willful and arbitrary character, his belief that the king should be more than a passive symbol, and his dislike and distrust of the Rumanian party system,[6] but the atmosphere of the time unquestionably nurtured these inclinations.

In 1936 the temporary calm showed signs of breaking and a new element, foreign relations, began to play its decisive role in determining Rumanian politics. It was only a relative change; Rumania has always been exceedingly sensitive to the reverberations of international events, and the rise of the extremist fascist parties in the 1930's was certainly associated with other similar movements elsewhere in Europe. Nevertheless, it may be said that up to 1936 the most important factors in the Rumanian political scene had been internal: the failure of the democratic parties to establish themselves, the long-standing social tensions and the chronic misery of the peasantry, and the personal influence of King Carol and his entourage. These internal forces continued to exert an important influence but the uneasy equilibrium of 1934 and 1935 was broken by the ascendancy of the European fascist states and the mounting international crisis leading to the Second World War.

Titulescu, the strong advocate of the League and of the Versailles 648 ● system, and at that time advocate of Little Entente-Soviet collaboration, was removed from the Foreign Office in August, 1936. His fall

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[6] In 1937, in an interview with the journalist Wickham Steed, Carol said that in his own country political parties were sterile and their leaders fit only to criticize. It would be his business as king to discipline them and harness them to constructive work. Notes on the interview are quoted in Pavel Pavel, *Why Rumania Failed* (London, n.d.), p. 142.

648 appears to have been the consequence of personal differences but presaged a shift in Rumania's international orientation. As Rumania had been one of the principal gainers in the First World War, all the governments up to this time had a similar foreign policy, pro-French and against any treaty revision, which indeed was the only way Rumania could preserve its new territories from Hungarian, Bulgarian, and Soviet claims. When it became clear that the Western powers had lost the initiative, foreign policy became less simple. The extreme Right was vociferously pro-German. Carol personally would have preferred to stay clear of German influence, since only the Western attachment gave promise of guaranteeing all the territories acquired by the war. But if Britain and France weakened, he was inclined to improve his relations with Germany. Rumania's relations with the U.S.S.R. had improved somewhat in the 1930's, but it was a negative improvement—a hope of assurance against Soviet attack. The underlying hostility between the two powers was deep and so pervasive as scarcely to require any discussion. Thus in 1937 Carol stated to Wickham Steed that the chief difficulty of Rumania's position lay in the fact that "the immense weight of Russia was always bearing upon her and she had to withstand it as best she could. Russia was, so to speak, the hereditary enemy. As regards Hitler, he felt admiration for Hitler, whom he did not look upon as a sinister or dangerous man."[7]

665 From 1936 on, as a consequence of this shift in the international balance, the extreme Right became more and more blatant; anti-Semitic activities increased in extent and vileness; university students showed the advantages of their education by attacking Jewish shops; hostility and scorn for the decadent democracies became the vogue; defections from the old parties decreased their strength and added to the forces of the Right.

During this time the National Peasant party, as the principal nonfascist opposition to the government showed little strength or determination. Mihalache did attempt to reinvigorate the peasantist element in the party's ideology and formed a "peasant guard" to protect National Peasant meetings from fascist bullies. In May, [668] 1936, there was a demonstration of some 80,000 peasants in Bucarest, directed against the Liberals, demanding better conditions for peasants and workers and decrying the tolerance shown to the fascists. These efforts, however, had no significant results.[8]

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[7] Quoted in Pavel Pavel, *op. cit.*, p. 189.

[8] According to Pătrășcanu (*Sous trois dictatures*, p. 114), the National Peasants had planned a large demonstration in November, 1935, but had canceled it upon Carol's promise that the Liberal government was about to fall and that they would succeed it.

661 642 Minister, Armand Calinescu, the strongest man in the Carol dictatorship and the executor of the campaign against the Guard, was assassinated. His death was followed by murderous mass reprisals against the Legionaries. Carol seemed to be thoroughly the master of his country.[1]

In place of the disbanded parties he concocted in December, 1938, a single body, the Front of National Rebirth. Through 1938 and 1939 he added the various regalia associated with a corporatist state, but there is little evidence that anyone took these trappings seriously. Administrative and political corruption, always healthy plants in Rumania, blossomed in full splendor in these years; public ethics hit a new low.

● 648 642 Meanwhile, however, the international situation was closing in and here Carol was caught, as it proved, in a hopeless dilemma. While throughout the 1930's the Rumanian state took on an increasing resemblance to the fascism of the Axis powers, and men of the extreme Right advocated a pro-Axis foreign policy, Rumania, with its interest in maintaining the Versailles system—the guarantor of its territorial integrity—could not be really happy in Axis company. Regardless of internal political developments, and Carol himself repeatedly stressed the difference between internal and external policy, Rumania had strong reason to rely on the Western powers. Germany, however, was clearly in the ascent and the Western powers were pursuing the policy of appeasement. With the collapse of Czechoslovakia after the Munich Conference the Little Entente broke down. In November, 1938, Carol visited both London and Berchtesgaden in an effort to maintain his balance.

The great blow to Rumania's position came with the Soviet-German pact of August, 1939, which forecast common action between the two

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[1] It is impossible to attempt here to clear up the obscurities in the struggle between Carol and the Iron Guard. Numerous interpretations have been made, of which two might be mentioned. The British correspondent, A. L. Easterman, in his book *King Carol, Hitler, and Lupescu* (London, 1942), was of the opinion that in assuming the dictatorship Carol was fighting fire with fire, that he was really anti-Guardist and anti-German. Under this interpretation he was attempting to preserve Rumania from German advances, and his fight against the Guardists, who are regarded as simple German tools, was a part of this national defense. A more complex interpretation is provided by the Rumanian Communist Lucrețiu Pătrășcanu in *Sous trois dictatures*. Briefly, his thesis is that Carol had given secret support to the Guard on his road to the dictatorship, as a means of destroying the bourgeois-democratic parties, but had turned against it because of the potential social ferment it engendered and because the Guard was explicitly pro-Axis, whereas Carol was attempting to play a noncommittal game. Pătrășcanu attributed the increasing violence of the measures employed by Carol against the Guard to the simple fact that having set up a dictatorship himself Carol had no weapon against another dictatorial movement except crude police repression.

great powers of eastern Europe, both of which were interested in 648
revising the Versailles system. By the secret protocol of the Molotov- 642
Ribbentrop agreement, the Reich recognized the Soviet Union's interest in Bessarabia.[2]

When war came, Rumania remained neutral, although the German control over the economy, which will be discussed presently, grew steadily. With the fall of France in the summer of 1940 and the disappearance of any hope of effective support from the West, Rumania was left with three unattractive alternatives: isolated neutrality, rapprochement with the U.S.S.R., or entering the German camp. Carol chose the latter course.[3] The corporate state was replaced by a totalitarian regime with the creation of the Party of the Nation, which included the Iron Guard and to which all government and business officials were obliged to belong. Horia Sima, the new leader of the Guard, came into the government.

After the Soviet ultimatum of June 26, resulting in the loss of Bessarabia and Northern Bucovina, Rumania renounced the Franco-British guarantees, and the active pro-Germans, Gigurtu and Manoilescu, were installed as Prime Minister and Minister of Foreign Affairs. The new direction was accompanied by zealous efforts to emulate the Axis powers through increased anti-Semitic and anti-British measures. The loss of Bessarabia and Northern Bucovina set loose other revisionist claims, and at the end of August, under German and Italian auspices, Rumania lost Southern Dobrogea to Bulgaria and Northern Transylvania to Hungary.

At this point Carol's policy of isolating and breaking up the po- 642
litical parties turned against him, and he found himself altogether without support in face of national indignation that a third of the nation's territory had been given up without a sign of resistance. As an eleventh hour prop for his regime he called in, on September 4, General Antonescu, who had been in disgrace for his association with the Guard. Antonescu forced Carol to renounce his dictatorial powers

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[2] Paragraph 3 of the Secret Additional Protocol to the Nonaggression Treaty of August 23, 1939, stated: "With regard to South-eastern Europe, attention is called by the Soviet side to its interest in Bessarabia. The German side declares its complete political disinterestedness in these areas." U.S. Department of State, *Nazi-Soviet Relations, 1939–1941* (Washington, 1948), p. 78.

[3] According to ex-Foreign Minister Grigore Gafencu, Carol's decision was taken at a crown council meeting on May 29, 1940. *Prelude to the Russian Campaign*, trans. E. Fletcher-Allen (London, 1945), pp. 282–285. Such a decision is not surprising. Neutrality would have saved little except honor. The U.S.S.R. had been indicating, rather obliquely, the desirability of a revision in Bessarabia, and with the fall of France was determined to move quickly. The chances of a Rumanian-Soviet rapprochement were nil. On the other hand, German influence had increased steadily since the fall of Czechoslovakia.

Germany's growing economic influence. By 1938 Germany and Austria absorbed 26.5 per cent of Rumania's exports, but even in the 439 German-Rumanian agreement of December, 1938, the Rumanians were able to block German efforts to increase substantially the clearing rate of the reichsmark.

A new stage was reached, however, in the German-Rumanian agreement 648 of March 23, 1939, which really did tie Rumania's economy to that of Germany.[15] By this treaty, which was to run for five years, very close economic collaboration was envisaged, involving German assistance in the internal development of the Rumanian economy. The principal aim of this treaty, which emphasized the complementary nature of the two economies, was to expand and diversify Rumanian agricultural production. Germany was to assist in promoting the cultivation of agricultural products of interest to its economy, especially foodstuffs, oilseeds, and textile plants. New industries were to be established for processing agricultural products. Mixed Rumanian-German companies, in which Germany was to supply the machinery, were to exploit mineral and petroleum resources. The treaty also made provision for mutual collaboration in various industries, road, rail and water transport, and public enterprises. Rumanian and German banks were to collaborate on methods of financing the activities contemplated under the plan. Finally, the agreement provided that Germany would supply armaments and munitions to Rumania.[16]

In assessing the significance of this agreement, as well as Germany's increasing economic monopoly in the Balkans, it is necessary to distinguish between the actual effects under the international circumstances and its merits as a purely economic program. In actual fact, of course, Germany's economic activities in the Balkans proved to be part of its over-all task of preparing a war economy, and it could be maintained that to overlook the military premise behind Germany's actions is to miss the essential point. Certainly Germany's primary concern was to obtain in southeastern Europe a source of vegetable and mineral raw materials to assist in creating an economy secure from blockade. At the same time, Germany appears to have regarded

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[15] According to Grigore Gafencu, at that time Rumanian Foreign Minister, this economic agreement was designed to appease Hitler, who had displayed an ominous irritation over Carol's assault on the Iron Guard in the autumn of 1938. See his book, *Last Days of Europe* (New Haven, Yale University Press, 1948), pp. 23–25.

[16] For a discussion of this agreement from the German side, cf. Anton Reithinger, "Grossdeutschland und Südosteuropa im Lichte der Statistik," *Allgemeines Statistisches Archiv*, 29 (1939), 129–139, and German Institute for Business Research, "The German-Rumanian Trade Treaty," *Weekly Report*, Nos. 13–14 (April 6, 1939).

● 648 its activities in Rumania as primarily economic and not, directly at least, as an instrument for political penetration. The Germans did not feel they had Rumania sewed up diplomatically by this agreement.[17]

Although there was this hidden military menace in Germany's actions, Rumania did gain certain short-term advantages from its economic relations with the Third Reich. Contrary to numerous reports Germany was not merely draining Rumania in exchange for aspirins, harmonicas, and cameras. The relations with Germany, aside from the political danger, were certainly not without their disadvantages; there were all the limitations of being tied to a bilateralism with a much more powerful state, difficulties in obtaining certain commodities, and German reluctance to provide materials for secondary industries. In so far as it was possible Rumania struggled to keep the Reich from obtaining a too favorable rate of exchange and to retain as large a share as possible of its exports for the free world market. Nevertheless, Germany did offer a market for Rumanian agricultural products at prices which Rumania could not obtain elsewhere. In the absence of remunerative world prices and the failure of the other great powers to provide any assistance, Germany's policy, whatever its aim, was a benefit *fauté de mieux*.[18] The benefits were not unconditional but the comparison should not be made with an ideal and stable system of free world trade, but with the collapsed and paralyzed situation of the 1930's.

As to setting up the German and Rumanian economies as complementary units in a system of regional trade, the most obvious danger was that Germany would in effect reduce Rumania to a colonial status, producing vegetable and mineral raw materials for the German in-

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[17] Thus Hitler in his letter to Mussolini of August 25, 1939, regarding the Soviet pact, indicated that because of this pact "Rumania is no longer in a situation to take part in a conflict against the Axis" (U.S. Department of State, *Nazi-Soviet Relations*, p. 81), a clear sign that the Axis leaders had serious doubts whether Rumania, even after the March economic agreement, was on their side. In the German diplomatic correspondence of 1940, the whole concern of the Germans appeared to be that Rumania, which was so important for its vegetable products and petroleum, should not become involved in military and political disturbances.

[18] The conclusion of a study by the Royal Institute of International Affairs, *South-Eastern Europe, a Political and Economic Survey*, p. 196, stated: "At any rate up till the spring of 1939, the countries of South-Eastern Europe on balance have gained in a material sense and in the short run, by the increase in German purchases. Germany has helped to raise their export prices and to increase their national incomes, and she has not so far taken advantage of her bargaining position to turn the terms of trade in her favor, so that their 'real' incomes have been raised. On the other hand, one of Germany's objects may be to associate the economic systems of these countries so closely with her own as to make it difficult for them to sever their connections in time of war."

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

dustrial economy. Indeed, German economists commenting upon the 648
1939 agreement argued that Rumania should not undertake a further drive toward industrialization until the state of economic advance called for in the agreement was reached. In fact they claimed that under exchange control the industry of southeastern Europe had developed to such an extent that it had reached the saturation point and that control of investment was necessary.[19]

The agreement did, however, provide for the creation of industries preparing foodstuffs and raw materials for export and also for the development of railways and the armamants industries. That is, the Germans favored industries "organically" connected with Rumania's natural resources but were opposed to the expansion of secondary industry.

It is not necessary to point out the obvious advantage to Germany of this policy nor to go into the array of arguments which Hitler's economists employed to carry their point. But from the Rumanian side one very curious paradox arises, precisely the kind of paradox which runs throughout the history of Rumanian economic policy. The German policy, as shown in the March, 1939, agreement, resembled in many respects that of the National Peasant party and was in definite opposition to the industrial policy of the pro-Axis Manoilescu and of the Carolist regime. This opposition appears quite explicitly in an article by Ernst Wagemann, director of the German Institute for Business Research.

Wagemann, one of the most ardent advocates of Germany's destiny 185
in the Balkans, was quite critical of Manoilescu's economic theory, though not on traditional grounds of free trade.[20] He regarded Manoilescu's policy as doubtful in practice because of the lack of consumer purchasing power in Rumania. Moreover, Manoilescu's emphasis upon increasing labor productivity would intensify rather than improve the problem of surplus population. "For the more labor-productive an industry is, the more capital and the fewer workers it needs . . . The solution of the overpopulation problem is to be sought least of all in the development of highly technical and strictly rationalized or, as Manoilescu says, 'labor productive' industries." [21] Wagemann recommended intensification and diversifica-

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[19] German Institute for Business Research, *Weekly Report*, Nos. 13–14 (April 6, 1939), p. 42.

[20] Ernst Wagemann, "The Pressure of Population as an Economic Force," German Institute for Business Research, *Weekly Report*, Nos. 25/26 and 27/28 (June 29–July 14, 1939). This article is a translation from Wagemann's book, *Der neue Balkan; altes Land, junge Wirtschaft* (Hamburg, 1939).

[21] *Ibid.*, Nos. 25/26, p. 3.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

668 for the peculiar venom of the declassés as contrasted with the less fanatical support of the impoverished which arose more specifically from the depression.

It is difficult to obtain reliable evidence concerning the calculated support given to the Iron Guard by interested groups, but there are numerous indications that government ministers in the 1930's, such as Vaida Voevod and Tătărescu, did support the Legion unofficially and did not greatly hamper its activities. Undoubtedly in the vast underworld of Rumanian police life, Siguranța officials found it a useful organization for combating Left-wing labor movements. Perhaps one should not place too great stress upon such Machiavellian motives. It is tempting to see in ministers, police chiefs, and mysterious financial interests absolutely cold and calculating individuals who were not in the slightest affected by the atmosphere of their surroundings. But after all both Vaida Voevod and Duca had said that apart from the battle against communism they had hoped to harness what they felt was constructive in the Iron Guard and divert it to less violent activities. It would seem reasonable to assume that they, too, were moved by some of the same sentiments which impelled the Guardists.

● 648 As to foreign support, there is no question that Hitler regarded 668 Codreanu as his ally, and for good reason. In November, 1937, for example, Codreanu made his celebrated electoral declaration that he was against the Western democracies, against the Little Entente and the Balkan Entente, against the League of Nations, against bolshevism, and in favor of the Rome-Berlin Axis: "Forty-eight hours after our victory we shall have an alliance with Germany and Italy." There is also evidence that in later years, at least, the Germans gave financial support to the Iron Guard, although some of the proofs produced by the Carol dictatorship are suspect. It would be wrong to conclude, however, that the Iron Guard was nothing more than a German fifth column. It was a very significant aspect of Rumanian social and political life.

Rumanian writers of various political beliefs have sought, understandably enough, to prove—by calling the Legion a tool either of the Germans, or of intriguing police chiefs and politicians, or of a class—that it did not represent the Rumanian people. Granted that the Rumanian people are not by nature fascist beasts, nevertheless the Iron Guard cannot be written off as a superficial phenomenon. In its way it was the nemesis of all the false constitutionalism and pseudo-democracy which have been observed in the course of recent Rumanian history.

3. Roberts S-4 (no date)1951 ED1 Rumania ED1

for this it required a degree of stability, not the hectic atmosphere 665 created by Guardist terror squads. Consequently, when Antonescu in 661 December began to take measures to bring the Guard to heel, he had German support, although the Legionaries refused to believe that the Germans would desert their most ardent allies. Antonescu proceeded to disarm their formations and to strengthen the army. Seeing their [669] position undermined, the Guard on January 21, 1941, attempted to revolt. They were suppressed by the army after three days of savage fighting in which they outdid themselves in committing bestial atrocities. On January 27 Antonescu formed a new cabinet composed almost entirely of military officers. The Iron Guard was dissolved, the Legionary state abolished, and a firm military dictatorship under the *Conducator* came into being. Thus fell one of the first fascist movements in Europe and, ironically enough, at just the time Nazi Germany achieved complete predominance in Rumania.

Under the Antonescu dictatorship political life ceased altogether; the army and the Germans were in complete control. A couple of plebiscites provided the necessary stamp of legality and the government, with very few changes, remained in power for the next three years. In June, 1941, Antonescu joined Hitler in the war against the [48] ● Soviet Union. Maniu and Constantin Brătianu supported the war until the recovery of Bessarabia and Bucovina, though they protested against the dictatorship. After Rumanian troops crossed the Dniester, they dispatched notes of protest to Antonescu demanding Rumania's withdrawal from the war. But by this time he was too deeply involved in the German adventure. In October, 1941, he annexed Transnistria, that part of the Ukraine lying between the Dniester and Bug rivers and including Odessa. Rumanian troops went on and on until they reached Stalingrad. Then began the slow retreat.

Well before his overthrow Antonescu, now a Marshal, realized that the war was lost but was unwilling to take the steps to extricate Rumania, although he permitted envoys of the political parties to establish contact with the Allies. In the absence of effective opposition he was able to maintain power until the Russians, who had been checked in northern Moldavia in the spring of 1944, resumed their offensive in the late summer. With the imminent threat of Rumania becoming a battlefield and being further devastated by increasing American bombing raids, King Michael seized the initiative, arrested him, and sought an armistice.

one case by a Soviet order, in the other by a strike of the printers' 175
union. Teohari Georgescu refused to take orders from Radescu and demanded that the officials in the Ministry of Interior pay no attention to the general.

The crisis reached a climax on February 24 when, at the conclusion of a large National Democratic Front demonstration, the crowd moved into the palace square and headed toward the Ministry of the Interior. Shots were fired, several people were killed, and that night in a rash—and final—broadcast General Radescu roundly abused the Communist leaders Pauker and Luca, and called on the army to stand by him.[29] Certainly Radescu was a greatly provoked man but owing his appointment to an agreement of the four parties he was not in a position to take an independent stand when this coalition broke down under the Communist attack. Moreover, by his rather intemperate language and appeal to the army he left himself open to damaging attacks from the National Democratic Front and the Russians.

The Soviet Union, in the person of Deputy Commissar Andrei 175
Vyshinsky, now stepped in and demanded General Radescu's im- 648
mediate resignation. After some hesitation King Michael agreed and 668
started consultations for a new cabinet; again Vyshinsky intervened and demanded that a National Democratic Front government under Petru Groza be installed.[30] Meanwhile the Soviet command had taken the necessary precautions. There was at that time only one Rumanian force capable of resisting the National Democratic Front's armed formations—the army. The Russians ordered the Rumanian units stationed in and near Bucarest to be sent to the front, and the capital was denuded of troops. The following weekend witnessed another mass demonstration which was clearly in a position to take over the government forcibly if need be. In the midst of the demonstration it was announced that the king had accepted the Groza government. On March 6, 1945, it was installed, as a coalition of the groups making up the National Democratic Front, and also including an insignificant

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[29] This riot is to me a particularly discouraging example of the difficulty of writing history *wie es eigentlich gewesen*. This incident, as it later proved, was the event which led to the overthrow of the Radescu government and the installation of the Groza cabinet. I had watched the procession and was in the crowd no more than fifty feet from the first shots. Yet at that time and since I have been unable to discover precisely what happened. I do know that the government had kept Rumanian troops off the street that day to avoid inciting trouble. The crowd did move toward the Ministry of the Interior building, although it showed little signs of direction. The first shots were fired from a small piece and from somewhere in the crowd, but by whom and for what purpose I do not know, although there has been no lack of stories and explanations.

[30] An account of Vyshinsky's actions, taken from official American sources, is given in James F. Byrnes, *Speaking Frankly* (New York; London, 1947), pp. 50–55.

668 dissident National Peasant party and a Liberal fraction under the
648 opportunist Gheorghe Tătărescu, whose government in 1936 had
175 sentenced Ana Pauker to ten years' imprisonment.

Why did the Groza government come to power? This question is difficult to answer, even though many of the facts are reasonably well established, because it involves the intentions behind the foreign policy of the Soviet Union. In the first place, the Groza regime was directly and positively installed by the Soviet Union, in an explicit manner by Vyshinsky, but even before that by the Soviet decision to break up the Radescu government through the National Democratic Front. Although there is no convincing evidence that the National Democratic Front possessed broad popular support, it was not without effective strength in Bucarest. Before it came to office it was able to assemble large crowds of demonstrators, which were really quite impressive despite the tendency of Tass and the Communist press greatly to inflate their numbers. Moreover, it had special squads of armed guards, which had obtained weapons in preparation for the August 23 coup and had subsequently refused to relinquish them, much to the dismay of the National Peasants and Liberals. Nevertheless, they could not have stood up against the Rumanian army had General Radescu been given the opportunity to employ it. In no sense, however, did the National Democratic Front represent the will of the people, although it must be said that at the time there was a general political vacuum in Rumania. It is doubtful whether the historical parties represented the will of the people except in the purely negative sense of being anti-Russian.

In the second place, the U.S.S.R. did not overthrow the Radescu government because the Rumanians were sabotaging the armistice agreement, or to guarantee the lines of communication to the Hungarian front, or because the Radescu government could not maintain order. If the latter was true it was because Radescu had been deprived of the means. This is not to say that the Rumanians of the historical parties were behaving in a manner satisfactory to the Russians. Hatred of Russia among these parties was bitter and profound. There was a constant hope that somehow the Western powers would come to their rescue. Well before the end of the war, and indeed immediately after the armistice, many nonfascist Rumanians expressed the belief that a conflict betwen the Soviet Union and the Western powers was the only hope for Rumania. Nor were the Rumanians altogether reasonable in their fulfillment of the armistice conditions. There were numerous cases where they tried to squirm out of a delivery by means of elaborate legal technicalities in a manner inevitably highly ex-

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

asperating to the Soviet authorities. In a word, many Rumanians 668
did not realize the implications of the new situation and were doing 648
everything in their power to avoid the consequences of their military 175
defeat. Undoubtedly this attitude was well known to the Russians; it would have been difficult to have missed it.

Nevertheless, as far as may be judged from the evidence available, conditions in Rumania and the behavior of non-Communist Rumanian politicians were not a primary factor in determining Russian action; Soviet initiative in installing the National Democratic Front government did not arise from Soviet-Rumanian relations but was an aspect of Soviet policy regarding the pattern of the postwar world and Russia's relations with the Western powers, Great Britain, and the United States. It might be well here to review briefly some of the information which has come to light on Rumania's place internationally in the last part of the Second World War. The Soviet Union was certainly interested in preserving its gains made in eastern Europe before Hitler's attack, and as early as 1941 was pressing the British and American governments, without success, for an agreement on postwar territorial boundaries. Soviet frontiers with Rumania were to be those of 1940, i.e., Bessarabia and northern Bucovina being reincorporated in the Soviet Union. In addition, the Soviet regime desired special facilities for bases in Rumania.[81] On April 2, 1944, however, as Soviet troops advanced into northern Rumania, Molotov gave a reassuring announcement: "The Soviet government declares that it does not pursue the aim of conquering any part of Rumanian territory or of changing the existing social order in Rumania."

In May, 1944, the British government proposed to Russia a di- 648
vision of areas of predominant interest, whereby, "in the main, Rumanian affairs should be the concern of the Soviet Government and the Greek affairs the concern of United Kingdom. This British-Russian understanding would apply only to war conditions and would not affect the rights and responsibilities which each of the three great powers would have to exercise at the peace settlement."[82] On the condition that it be limited to three months' trial and definitely did not establish postwar spheres of influence, President Roosevelt gave

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[81] Cordell Hull, *The Memoirs of Cordell Hull* (2 vols., New York, 1948), II, 1167. In connection with the request for bases in Rumania, one might note that in 1943 the Soviet Ambassador to Great Britain, Maisky, stated that the U.S.S.R. probably would not oppose a Balkan federation, provided it excluded Rumania, another indication, perhaps, of a special status for Rumania in Soviet plans. Robert E. Sherwood, *Roosevelt and Hopkins, an Intimate History* (New York, 1948), p. 714.

[82] Hull, *op. cit.*, II, 1451–1455. Roosevelt's approval was given without Hull's knowledge and against his wishes.

American approval to the proposal. It is evident that Churchill's move was an attempt to regain the position lost when his plan for an Anglo-American invasion of the Balkans was overruled in 1943; he was clearly interested in securing Greece for Britain's Mediterranean sphere.

When Churchill and Eden visited Moscow in October, 1944, this arrangement was extended even further in establishing the degrees of influence the two powers should enjoy in the various Balkan states. According to former Secretary of State Byrnes, "We knew they had reached the informal understanding that, if the British found it necessary to take military action to quell internal disorders in Greece, the Soviets would not interfere. In return, the British would recognize the right of the Soviets to take the lead in maintaining order in Rumania."[33] The result undoubtedly was, as Hull points out, that "the Russians took it for granted that by the agreement of June 1944, Britain and the United States had assigned them a certain portion of the Balkans, including Rumania and Bulgaria, as their sphere of influence."[34] Hull was correct in his starting assumption that an agreement ostensibly limited to military affairs could too easily lead to political arrangements of a lasting nature. On the other hand, his opposition to spheres of influence and independent political action by one or two of the great powers does not seem to have been wholly consistent, nor would it have been convincing to the Russians, given the evident political action of the United States and Great Britain in Italy where the Russians had very little voice, though Hull maintains they were kept informed. In brief, by the end of 1944 not only did the Russians have considerable reason to believe that Rumania was in their sphere, but Anglo-American political as well as military action in Italy provided them with a precedent for independent action. The first power to make use of the October agreement was Great Britain in its intervention against ELAS during the Greek crisis of December, 1944.[35] Russia, at this time, kept to the bargain; the Soviet press and radio gave no sign of support for the Left-wing Greek partisans.

Such was the state of affairs when, in January, 1945, Russia appears to have given the green light to the Rumanian Communists.

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[33] Byrnes, *op. cit.*, p. 53.

[34] Hull, *op. cit.*, II, 1458. Sherwood states, however, that Roosevelt sent a cable to Stalin indicating that the United States regarded the Churchill-Stalin conversations as "preliminary" and not committing the American government. Sherwood, *op. cit.*, p. 834.

[35] For recent accounts, from different points of view, of the background to the British intervention in Greece, see L. S. Stavrianos, "The Immediate Origin of the Battle of Athens," and W. H. McNeill, "The Outbreak of Fighting in Athens, December 1944," both in *The American Slavic and East European Review*, *8*, No. 4 (December, 1949).

Between this decision, however, and the installation of the Groza cabinet in March the Yalta Conference took place. Although Stalin at Yalta made several pointed remarks to the effect that he "had no intention of criticizing British actions in Greece, nor . . . any intention of interfering in that country,"[36] the agreement signed by the Big Three made no mention of spheres of interest. On the contrary, the declaration regarding liberated areas in Europe seemed wholly in accord with American interests and was, with slight modifications, the same as Roosevelt's proposed text:

> The Premier of the Union of Soviet Socialist Republics, the Prime Minister of the United Kingdom, and the President of the United States of America . . . jointly declare their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems. . . . The three governments will jointly assist the people in any European liberated state or former Axis satellite state in Europe where in their judgment conditions require: (a) to establish conditions of internal peace; (b) to carry out emergency measures for the relief of distressed people; (c) to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsive to the will of the people; and (d) to facilitate where necessary the holding of such elections. . . .
>
> When, in the opinion of the three governments, conditions in any European liberated state or any former Axis satellite state in Europe make such action necessary, they will immediately consult together on the measures necessary to discharge the joint responsibilities set forth in this declaration.

There is no question that the Soviet action in Rumania at the end of February was scarcely in accord with this declaration. As Byrnes later said, "From the close of the Yalta Conference to the present day it [the declaration on liberated Europe] has been a source of conflict between the Soviet Union and ourselves. But it is the basis on which we have shown the world that Russian actions in eastern Europe have been in violation of Russia's pledged word."[37] Unfortunately, there seems to have been no explicit discussion at Yalta of

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36. Edward R. Stettinius, Jr., *Roosevelt and the Russians: The Yalta Conference* (New York, 1949), pp. 217–218, 244.

37. Byrnes, *op. cit.*, p. 84.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

● 6/15 the possibilities of a contradiction between this declaration, which is not altogether unambiguous, and the British-Soviet division of spheres of influence.[38]

During the Rumanian crisis the Russian head of the Allied Control Commission refused to consult with the American and British representatives. Molotov informed Ambassador Harriman that "the Radescu Government was unable to maintain order and fulfill the armistice terms and that the Allied Control Council would take the necessary measures and keep the Allies informed," [39] but presumably after the decisive steps had been taken. Later, in September, 1945, Molotov admitted to Byrnes that Vyshinsky had "helped in the formation of the government," but said that the U.S.S.R. had acted because "there was very serious danger of disorder and civil war." [40] If there was danger of civil war it was only because the Soviet Union had urged the Rumanian Communists to action.

Thus the initial American protests and inquiries had no effect in checking the Russian action and the administration was unwilling to press the issue at this time, partly because the war was still being fought. It refused, however, to recognize the Groza government. The British, while also deploring the Soviet move, were in no position to make a vigorous objection. As Churchill explained in a message to Roosevelt on March 8, 1945:

> We have been hampered in our protest against these developments by the fact that, in order to have the freedom to save Greece, Eden and I at Moscow in October recognized that Russia should have a largely preponderant voice in Rumania and Bulgaria, while we took the lead in Greece. Stalin adhered very strictly to this understanding during the thirty days fighting against the Communists and ELAS in the city of Athens, in spite of the fact that all this was most disagreeable to him and to those around him.[41]

It is reasonable to assume, then, that to the Soviet government the division of southeastern Europe into spheres of influence meant that it was to act in accordance with its interests in Rumania as Great

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[38] Stalin, in proposing an amendment to the declaration on liberated Europe—"support will be given to the political leaders of these countries who have taken an active part in the struggle against the German invaders"—remarked that Churchill need have no anxiety that this proposal applied to Greece, a fairly clear indication that he would consider the division into spheres of influence the basic agreement.

[39] Byrnes, *op. cit.*, p. 50.

[40] *Ibid.*, p. 52.

[41] Quoted in a statement by James F. Byrnes, *New York Times*, October 16, 1947.

Britain had in Greece. Consequently, when challenged for having contravened the Yalta agreement—a challenge which might well have been received with some surprise and irritation—it responded either by warping the meaning of the declaration, by maintaining that subsequent investigation of the Groza regime required the united approval of all three powers, or by relying on the overriding priority of military requirements and the ultimate authority of the Allied (Soviet) High Command. It is difficult to see just how Stalin could have accepted the Yalta declaration without mental reservations. Apart from his doubtful record as an advocate of self-government and free elections, there was the undoubted basic dilemma that a popularly elected government would in all probability be anti-Soviet.[42]

Why did the Soviet government act at this particular time? It is possible that a connection exists between the British measures in Greece and Vyshinsky's work in Bucarest. But beyond this the underlying reason, apparently, was the assumption that the war in the Pacific would be more protracted than it proved to be, and hence that the Western Allies would be unable or reluctant to oppose this Soviet move to secure its position in a state which, after all, had been an Axis satellite and was certainly of great strategic importance to the U.S.S.R.[43]

This answer, however, leads to the further question whether the installation of the National Democratic Front government was primarily a security measure to protect Soviet interests in a vital strategic area or represented the first step of a premeditated campaign to communize all eastern Europe. There is, perhaps, no need to develop the arguments for the latter view; subsequent events themselves seem to support it. Even the Communists today hold to that interpretation.[44] There is no evidence, despite the upsurge of Russian nationalism during the war, that the Communists ever renounced their ultimate hopes of a world revolution and a worldwide union of Soviet

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[42] The same dilemma appeared, of course, in the Polish question. Harry Hopkins, in his last visit to Moscow, stated that the United States would accept any government in Poland which was desired by the Polish people and was at the same time friendly to the Soviet Union. I have yet to find satisfactory evidence that the expression of the popular will, in such a country as Rumania or Poland, would have any likelihood of bringing about a regime friendly to the U.S.S.R. This is not to say that the widespread antipathy may not have had political and historical justification, but merely that the formula of free elections and friendly government involved a contradiction.

[43] This, at least, was the most satisfactory explanation I was able to obtain while in Rumania.

[44] See below, p. 313.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

64 republics. Certainly the Soviet political record leaves little doubt that agreements with bourgeois states were to be regarded solely as measures of expediency, not as means of reconciling the antagonisms of the two systems, which by definition were irreconcilable.[45]

Nevertheless, there is some evidence that developments were not all planned in advance in accordance with a secret blueprint, some indication of indecision in the Soviet leadership. In 1944 Ambassador Harriman suggested that elements in the Russian government close to Stalin opposed too close collaboration with the West, but that Stalin liked to have two strings to his bow.[46] Later, in April, 1945, Harriman cabled that he detected three parallel lines of Soviet foreign policy: 1) collaboration with the United States and the United Kingdom in a world organization; 2) creation of a security ring through domination of the border countries; 3) penetration of other countries through their Communist parties.[47] Since it is obvious, and should have been obvious to the Russians, that simultaneous pursuit of all three lines was impossible Stalin may have felt there were alternate paths to follow, that the course had not been set.

Two additional possibilities suggest themselves in this regard: The first is that initially the united front governments of the liberated states of eastern Europe were regarded not—as they later came to be—as mere springboards for exclusive Communist domination but as providing a modus vivendi for the states which had united in fighting Nazi Germany. The second is that the Russians may have regarded Rumania as occupying a special status and that actions taken there did not necessarily apply to the rest of Europe.

With regard to the first possibility, Isaac Deutscher, in his recent biography of Stalin, has suggested that the concept of a people's democracy—a much milder affair in theory than what the Communists had been trained to expect—as distinct from the Soviet system was taken seriously for a time after the war by Soviet political theorists:

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[45] An even more explicit indication, if it is authentic, of a long-held plan to use united front governments after the war as the first step to achieving a Communist revolution is to be found in a recent biography of Tito, in what purports to be a secret Comintern directive of May 9, 1941, stating that "The Communist world revolution must be presented as a series of measures to achieve 'true democracy.'" The steps to be followed look very much like those which have been taken in eastern Europe since 1945: establishment of a broad coalition government, then its progressive liquidation through arrests, trials in people's courts, etc. Stephen Clissold, *Whirlwind, an Account of Marshal Tito's Rise to Power* (New York, 1949), pp. 238-241. The author informs me that the directive came from the archives of the wartime pro-German Serbian police. Despite its apparent authentication by subsequent events, certain passages in it do not, in my opinion, ring true.

[46] Hull, *op. cit.*, II, 1460.

[47] Stettinius, *op. cit.*, p. 315.

Stalin may have felt such a form of government would "help him to preserve the condominium of the Big Three." [48]

In 1945 one does find such statements as Stalin's to Harry Hopkins "that Poland would live under the parliamentary system which is like Czechoslovakia, Belgium, and Holland, and that any talk of an intention to Sovietize Poland was stupid . . . the Soviet system was not exportable—it must develop from within on the basis of a set of conditions which were not present in Poland." [49] Now one may regard this statement as a triumph of mendacity or see certain sinister implications in the last phrase, but still there is an impression, for the short run at least, of Stalin's pursuing a noncommunizing line. Moreover, certain events in 1945 are rather difficult to explain on the premise of a fixed intention to sovietize eastern Europe. Why was Hungary permitted to have *free* elections in 1945, elections which brought in an anti-Communist majority? Even in Rumania, the Soviet presentation to King Michael of its highest award, the Order of Victory, would seem an unnecessarily extravagant gesture if he was to be dethroned at an early date. The inclusion in the Groza government of such a questionable person as Tătărescu, who was not really needed for his technical competence, whom the local Rumanian Communists regarded with great distaste, and whose presence certainly did not greatly reassure business circles, is perhaps best, if rather weirdly, explained by the Soviet determination to have a "bourgeois" politician in the new coalition.[50]

While it is true that Hungary, for a time at least, was permitted to enjoy the fruits of a free election, that Czechoslovakia preserved a relatively independent internal status until 1948, and that Finland, though at one time associated with Hitler, is still free of Communist control, there is little evidence that Rumania would ever have been permitted such freedom, or such a long leash. There is the possibility, suggested above, that Soviet interests in Rumania were more extensive than elsewhere. Historically, tsarist Russia frequently dis-

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[48] I. Deutscher, *Stalin, a Political Biography* (Oxford University Press, 1949), pp. 542-543.

[49] Sherwood, *op. cit.*, p. 900.

[50] I cannot prove this statement but it was the only plausible explanation I could obtain from some Rumanian Communists who were most embarrassed by Tătărescu's presence in the government. Deutscher, who is bothered by the same problem, cites several other actions which are hard to explain if Stalin had a definite and coherent plan to communize eastern Europe, e.g., Stalin's excessive concern with the Russian-Polish and Polish-German frontiers and the obviously damaging effect to the Communist cause of the reparations burdens placed on the defeated states. Deutscher's conclusion is that Stalin had no master plan but a number of extremely self-contradictory intentions. Deutscher, *op. cit.*, pp. 536-537.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

648 played ambitions in Moldavia, the path of approach to Constantinople and the Straits; recent Soviet writings on Bessarabia interpret the "liberation" of that province from the Turks in 1812 as a half-completed freeing of the Moldavian people, frustrated by Napoleon's invasion. As has been noted above [51] the Soviet government in a few chance remarks showed a special concern over Rumania during the war. Since 1947, with the reinforcing of the iron curtain, Rumania appears to have become the most tightly sealed and impenetrable of all the Soviet satellites. Moreover, of all the nations of eastern Europe, Rumania offered perhaps the least promise of voluntary cooperation with the Soviet regime: there were the unresolved territorial conflicts, the absence of any Pan-Slav feeling, and a miserably weak Communist party. Hence even if one assumes, hypothetically, no fixed intention from the beginning to sovietize eastern Europe but only a desire to secure friendly governments and strategic security, Russian action in Rumania was likely to be heavy-handed and arbitrary.

These possibilities are suggested very tentatively; their further implications will be treated briefly in the first section of Chapter XIV. One observation, however, may be made at this point. The two interpretations, a) that the Russians had a blueprint for all of eastern Europe, or b) that there was no such plan but that their actions arose from the play of events, especially from the deterioration of international relations following the war, are not in their practical consequences as far apart as they might seem. In the first place, the term blueprint is misleading in giving an impression of a predetermined course of action. Communist strategy is more likely to be along the lines of a chess game: the very notion of the plan involves the consideration of alternative lines of action, depending in part upon the opponent's response. This Leninist flexibility, which is rather ponderous and mechanical in the Soviet regime's hands, often is forgotten after the fact by the Communists' own proclivity to see all developments as inevitable and foreordained by Stalin's wisdom. Perhaps the only constants are the ultimate goal of world communism and a deep sense of ill-will and hostility toward the Western bourgeois states.

Secondly, even if one assumes the Soviet intention to follow limited objectives, their application in practice immediately encounters some very thorny difficulties. Thus, the Soviet Union wanted friendly states on its western frontiers, since these states in the past had been avenues of invasion. Well enough, but such a state as Rumania has historically been not only an avenue of invasion into Russia but also a Russian avenue for expansion. As so often is the case in the world of power relations, the Russian attempt to secure what it regarded as its defensive requirements was at the same time a threat to the western European states, not to mention the border states obliged to be friendly. The Soviet demand for security carried with it potentially aggressive implications.

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[51] See above, p. [illegible].

Further, even if one supposes that the united front governments were not meant to be merely flimsy covers for a Communist dictatorship, what did they mean, how were they to develop? Surely not toward bourgeois parliamentarianism, to the Russians a retrograde step. The concept of a united front, in the absence of a pressing fascist threat, was purely formal, and as soon as the Communists attempted to give it some content it became suspiciously, if inevitably, like a false façade. Similarly, with respect to elections, a single prearranged list of candidates would be the only means of maintaining the front; otherwise the Communists would feel obliged to rig the ballots to prevent a return to the old rut of bourgeois politics.

Finally, at the end of the war the Big Three coalition was bound to loosen, as coalitions always do when the common enemy has been defeated. But any increase in disputes, when viewed through Marxist-Leninist spectacles, was certainly to be interpreted as a sign of renewed bourgeois perfidy. Hence, it would require relatively little actual friction for the Russians to draw, or anticipate, the most damaging conclusions, which would in turn exacerbate relations and lead to a rapid deterioration of great power cooperation. For all these reasons it appears that the only difference between the two interpretations mentioned above is that if the Russians had from the outset a fixed determination to communize eastern Europe, by force if need be, there was no chance of an amicable settlement with the United States and Great Britain; if they did not have such a plan, there was only a very slight chance.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

612 tatorship would follow the People's Democracy and was not contained within its form; it believed that power might be shared with the peasants.

But what, it should be asked, was the source of these errors? Surely not an independent, uninformed, "soft" mood on the part of the Hungarian party. The hard line now enunciated was no new discovery; it was the familiar revolutionary message all Communists had been brought up on. Quite obviously all these mistakes were likewise, at an earlier date, the official line emanating from Moscow in support of popular fronts, and while it may be that the Moscow leadership never really subscribed to this line, the article itself would indicate that party membership had been sufficiently indoctrinated in the more moderate tactic that it was now necessary to make a special effort to redirect its views. Given the tight coordination of all Communist parties in the Soviet sphere, there is no reason to doubt that this interpretation also applies to the Rumanian case.

● 618 On the international level, Rumania's relations deteriorated steadily after 1946; the American and British governments repeatedly wrote notes of protest against the violation of Allied agreements and the peace treaty; the Rumanian government responded sharply with charges of American imperialism and espionage. In 1949 the issue of the Bulgarian, Hungarian, and Rumanian violation of human rights was brought before the General Assembly of the United Nations, which recorded its disapproval of the completely uncooperative attitude displayed by these states and resolved to refer the issue to the International Court of Justice for definition and clarification.[19] It was not clear by the end of the year that this action could achieve any important results under existing circumstances.

Since the creation in 1947 of the Cominform, which signalized the return to a hard line, and especially with the transfer of its headquarters to Rumania after the break with Tito, Bucarest has become one of the principal centers of international communism. At the same time the country has been increasingly isolated from the Western world. In April, 1949, even diplomatic representatives were prohibited from traveling in the Banat, Bucovina, Moldavia, or Dobrogea.

It is idle to speculate whether or when Rumania will enter the Soviet Union as a member republic, although rumors anticipating that event have not been lacking in the last two years. It would appear to be a question of relatively little practical importance, since the U.S.S.R.

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[19] United Nations, *Official Records of the Fourth Session of the General Assembly. Resolutions, 20 September–10 December 1949* (Lake Success, N.Y.).

already enjoys virtually complete control over the country. Moreover, 648 while the Rumanian political and economic structure is steadily approaching, and probably not asymptotically, the Soviet model, the final decision on incorporation will be based—apart from considerations of expediency—on political definitions which a mind not steeped in Leninism-Stalinism would have small chance of foreseeing.[20]

Economic Conditions

Economic developments since 1945 may be divided into two periods: 178 two years, 1945–47, of confusion and distress resulting from the war, Russian withdrawals, severe drought, the agrarian reform, monetary inflation, and the unsettled political situation; since 1947, a period of greater stability, an apparent increase in production, and the beginning of a directed and planned economy. In neither period can one obtain a very satisfactory picture of economic conditions. In the first months there was much administrative disorganization, and the government itself frequently lacked accurate information. The Groza regime has not hesitated from the outset to manipulate statistics for political and propagandistic purposes. Since the tightening of the administration in 1948, Rumania has been as reluctant as the Soviet Union, more reluctant than the other satellites, to publish any measurable economic data. Today, the few figures that appear are given as percentage gains for which it would be exceedingly difficult to supply a reasonably accurate base.

In general, it may be said that Rumania was slower than the other 433 eastern European states to recover from the war, in somewhat the 241 same way it lagged in coming out of the depression. Agricultural production fell off seriously in 1945 and 1946, partly because of the disorganization attendant upon the agrarian reform, but largely because of two years' serious drought. Both the acreage sown and the crop yields, especially in maize, the peasant's source of food, were exceptionally low; in 1946 the level of agricultural production was only 59 per cent of the 1934–38 average.[21] The production of indus-

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[20] This point is not very important but it is of interest to note that in the exchange of notes leading to Tito's expulsion from the Cominform in 1948, the Central Committee of the Communist party of the Soviet Union, after referring to Kardelj's hope, expressed in 1945, that the Yugoslav government would be regarded as the representatives of one of the future Soviet republics, rather scornfully dismissed his "primitive and fallacious reasoning . . . about Yugoslavia as a future constituent part of the USSR." It did not, however, vouchsafe its own authoritative views on the subject. Cf. Royal Institute of International Affairs, *The Soviet-Yugoslav Dispute* (London; New York, 1948), p. 39.

[21] United Nations, Department of Economic Affairs, *Economic Survey of Europe in 1948* (Geneva, 1949), p. 17.

433 241 trial and food crops fell successively in 1945 and 1946, and it is to be noted that the soybean, so extensively advertised in the 1930's, virtually disappeared as a crop when the peasants were left to their own devices.

The absence of accumulated stocks of grain, the large deliveries to Russia under the armistice, and the failure of the maize harvest in 1946 produced a disastrous and tragic famine, above all in Moldavia, in the winter and spring of 1947. Relief shipments had to be brought in from abroad, including substantial assistance from the United States.

The livestock position, while improving over the situation immediately after the war, was still weak by 1948. There were, in that year, 30 horses and 128 oxen (including buffaloes) per 100 agricultural exploitations as against 56 and 150 respectively in 1941; in terms of cultivation, there were 21 draft animals per 100 hectares of arable land in 1948 as against 27 in 1941. The quantity of agricultural equipment showed less diminution: an increase in the total number over 1941 was matched by a slight decline in the amount of equipment per exploitation, a result presumably of the increase in small holdings after the 1945 reform.[22]

Rumanian industry, which had expanded under wartime demands, registered a decline in 1944 and 1945, but a slight recovery in 1946. According to the Ministry of Finance, total industrial production was 80 per cent of the 1941 level in 1944, 60 per cent in 1945, and 77 per cent in the first ten months of 1946.[23] The chemical, metallurgical, and food industries were the most severely hit. The petroleum industry, which appears to be facing an exhaustion of the tapped fields, had already showed signs of decline before the war; in 1947 the output of crude petroleum was 3.8 million tons as against 8.7 million in 1936 and 5.8 million in 1940.

433 248 In addition to the slump in agricultural and industrial production, the Rumanian economy suffered from the flow of goods to the Soviet Union. The total value of Rumanian wealth transferred officially or unofficially, as restitution, reparations, or war booty has been the

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[22] A. Golopenţia and P. Onica, *Recensămîntul agricol din Republica Populară Română, 25 Ianuarie 1948. Rezultate provizorii*, Institutul Central de Statistică (Bucarest, 1948).

[23] Rumanian Ministry of Finance, *Expunere de motive la bugetul 1947/48*, p. 338. The validity of these figures is uncertain, and they may represent an inflated estimate. Tătărescu is reported to have said in 1947 that after two years of the Groza regime the general level of production was only 48 per cent of the 1938 output. *New York Times*, June 6, 1947.

subject of a number of heated disputes at international conferences, 433
and it would be very difficult to make a reliable estimate.[24] That the 648
drain was serious is indicated by the fact that as early as 1945 some Rumanian Communists, with more than the average amount of economic insight and less than the usual blind devotion to the Soviet Union, were in despair over the effect of the Russian withdrawals upon the country's economy and their own political position. The glaring contradiction between Russia's efforts to woo Rumania and to secure some measure of popularity for the Communist party and its rather frantic removal of goods and equipment has puzzled many observers. The explanation may simply be that the policy of this monolithic state was not consistent, or rather, that two different policies were here overlapping.

Rumania's foreign trade was greatly reduced after the war; by 439
1948 the value of its exports was only 50 per cent of the 1938 figure (in 1947, 21 per cent), and its imports 69 per cent (in 1947, 37 per cent).[25] The bulk of the trade was with the generally similar economies of the other eastern European states, which were being increasingly linked by a network of trade agreements.

The combination of low output, armistice obligations and war costs, 652
and the general political uncertainty of the postarmistice months led to a fearful inflation. Rumanian currency had never been sound since the First World War and had showed a tendency toward inflation in the 1930's and the war years; between 1945 and the summer of 1947, when a drastic stabilization was achieved, prices rose to dizzying heights. The cost of living index increased from a base of 100 in 1938 to 145.0 in 1940, 418.9 in 1943, 3,678.7 in 1945, 46,140 in December, 1946, and 525,688 in July, 1947.[26]

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[24] At the time of the Paris Peace Conference the American delegate, Willard L. Thorp, complained that the Rumanian delegation had been of no assistance in supplying information on this point, but he estimated that the total cost to Rumania of its defeat would be about $2,000,000,000. As of 1946 he estimated that about $1,050,000,000 had already been transferred: $325,000,000 for the maintenance of occupation troops, $100,000,000 for reparations based on the 1938 price level, $175,000,000 for property restitution, and $450,000,000 for requisitions. U.S. Department of State, *Bulletin, 15,* No. 379 (October 6, 1946). In July, 1948, General Radescu, in exile in the United States, stated that since Thorp's estimate Rumania had paid an additional $735,000,000. *New York Times,* July 18, 1948. Some attempts have been made to relate these withdrawals to Rumania's national income, but both figures would by necessity be exceedingly uncertain.

[25] United Nations, Department of Economic Affairs, *Economic Survey of Europe in 1948,* Table XVI.

[26] Institutul Central de Statistică, *Comunicări statistice, No. 19* (Bucarest, January 31, 1948).

10: Logio S-4 (no date) 1932 ED1 Rumania ED1

still abroad, was summarily dismissed. Peasant risings, a [illegible] movement for autonomy in Transylvania, and general instability led to the nomination of General Averescu to 642 648 office, owing to the reputation he enjoyed of being a strong man, having taken an active part in suppressing the peasant rising of 1907.

General Averescu's government passed the enactment [423] dealing with the distribution of land to the peasants, while his Minister of Foreign Affairs, M. Take Jonescu, laid the foundation of the Little Entente by concluding alliances with Czechoslovakia and Yugoslavia. General Averescu attempted to open pourparlers with Russia, so as to prepare the recognition of Rumania's right to Bessarabia, and there was a fair chance of his succeeding, but he was baulked of his aim, for the King vetoed his plan.

To M. Titulescu was assigned the task of reorganizing the 652 country's finances. This was deemed to be an intrusion into 665 the special domain of the Bratianus,[a] and so by provoking 661 their hostility, brought about Averescu's downfall. M. Take Jonescu was his successor, but he was able to maintain himself in office only for a month. A government constituted by the Bratianu party followed in January, 1922, and remained in power until March, 1926. Owing to the disunion among the Opposition groups the Bratianu party was allowed to carry into effect its nefarious project of securing complete control of the economic resources of Rumania. The whole legislation passed during its tenure of office was of a purely economic character, and under the pretext of consolidating the finances of the country they merely consolidated their own financial dominance.

Popular dissatisfaction was steadily growing in the meanwhile, as instead of relieving the money stringency, the economic policy of the government did nothing but intensify the evil from which the country was suffering. On [664] the other hand the Opposition was closing its ranks and organizing mass demonstrations throughout the country. A monster meeting of peasants was held at Alba-Julia in May, 1925, followed up by vigorous onslaughts against the government. The latter, unable to obtain a foreign loan which would have enabled it to stabilize the currency and relieve

[a] [The Liberal Party, headed by John Bratianu--Analyst]

There is a deficit of five and a half milliards left over from 652
the years 1930/31, and of 1,100 millions arising from the first 647
three months of the current year. In all, a deficit of six and a half milliard lei, which is entirely due to bad management.

To these budget deficits should be added some ten milliard 652
lei, owing by the State to various local contractors and industries, the non-payment of which has caused an enormous prejudice to the internal economy of the country, since these enterprises, having all their liquid funds "frozen up," have been obliged to stop their activities and dismiss their staffs, thereby intensifying the crisis.

The legislation recently passed by the Government has 652
also had a most unfortunate repercussion on the general 426
situation. Thus the law sanctioning the cancellation of agrarian debts has resulted in the ruin of almost every bank in the country, for, with a few rare exceptions, all have directly or indirectly advanced money to agriculturists, who by this law, promulgated in April, 1932, are dispensed from their obligations to the extent of 50 %, while the remaining 50% is rendered recoverable within 30 years. No compensation whatever is granted by the State to the banks or to private individuals who had been unfortunate enough to have advanced money to the peasants, even on the security of a mortgage. The result is that almost every banking institution and thousands of people have been ruined at one stroke.

This measure has not met with the general approval even 648
of the peasantry, for the most prosperous and enterprising 652
among them, who naturally had placed their savings in the banks, have thereby lost their money, since all the rural banks have been rendered insolvent. The total cessation of all credit, which has naturally followed the suspension of banking operations in the rural districts, has caused immense loss to the farmers, who can no longer borrow money even for their most pressing needs. Another law, that of the so-styled "Liquidation Judiciaire," completes and intensifies the evils fostered by that of the "Concordat preventif," rendering all commercial debts practically irrecoverable without the condescension of the debtor. Such measures are

648 indicative of the complete chaos which prevails in the minds
652 of those at the helm of the State, and who, seeing the *impasse* to which they have brought the country, appealed to France to send a mission of financial experts to devise means whereby Rumania may be extricated from the morass in which she has been entangled. This mission, headed by M. Rist, former adviser to the Rumanian National Bank, has arrived at the end of April, 1932, and is preparing a report which apparently is to recommend a drastic curtailment of the government staffs, and a reorganization of the tax-collecting system. Though exceedingly discreet, these advisers could not help expressing their astonishment at the bungling methods obtaining, and several higher officials in the Ministry of Finances have been summarily dismissed in consequence of their gross incompetence. Surprise, too, has been expressed at the number of officials employed in the Ministries
[647] of War and Public Instruction, 33,533 and 82,821 respectively, staffs more numerous than in the corresponding institutions in France, a country noted for its bureaucratism. The activities of these foreign advisers, who, after all, had been invited to come, and who are rendering a signal service to the country, have given rise to an outburst of xenophobia which is truly surprising. The press, with a few rare exceptions has protested against this immixture in the internal affairs of the State, which it pretends to regard as an affront to the national dignity, and has not wearied of insisting that Rumania should desist from paying her external debt service, which absorbs some six milliard lei per annum. Such a solution seems natural for a State which condones the annulment of all pecuniary engagements of the most numerous class of its citizens, as is provided in the law concerning the cancellation of agrarian debts. However, the Government seems unwilling to go so far, and it declares on all occasions that it will fulfil its foreign obligations in spite of the heavy sacrifices this decision may entail. Already it has taken the cue given by the French experts, and promptly dismissed five Under-Secretaries of State, early in May, 1932. The fall of the Tardieu Cabinet, which seemed disposed to extend a loan to Rumania on certain conditions, may now induce the Rumanian government to retrace its steps to a

certain extent, as apparently the new French government 648 will be less inclined to make financial advances. Nevertheless 652 the Cabinet will hesitate to assume the responsibility of openly defaulting, lest such action should be resented by France and to a lesser extent by England, and bring about Rumania's political isolation in face of Russia. So that, strange as it may seem, the dread of the Bolsheviks may contribute to the respect of engagements, the repudiation of which would be applauded by the latter.

The press organ of General Averescu, the "Indreptarea," 648 in its issues of 12th and 18th May, 1932, contains some interesting 652 comments on the findings of the French experts. It 647 thus affirms that the experts have ascertained that there is a lack of control in the handling of the public funds, that there is a great redundancy of officials, and that huge frauds are committed at the expense of the State revenues. As an example, the case of the revenue from the Customs was given, which was estimated at 1,200 million lei, yet only yielded 400 millions, the balance of 800 millions having been fraudulently diverted to other pockets than that of the State. M. Rist, affirms the "Indreptarea," had recommended a compression of the expenses through the dismissal of a large number of functionaries, and the creation of a control of all payments made to the State so as to eliminate the numerous frauds to which the Budget deficit is principally due. If these reforms were effected, Rumania, according to M. Rist, could fulfil her external obligations. However, the findings of the experts were not likely to enhance the prestige of Rumania in Paris and it hardly seemed likely that the French would now keep their promise made to M. Argentoianu to give pecuniary assistance to Rumania, unless they were allowed to exert a control which would be tantamount to applying to Rumania the status of what in its essence would be a colonial dependency. Such measures, if their acceptance were advocated 648 by the Government, would weaken its prestige to such 666 an extent that it could no longer maintain itself in power, 645 even if it enjoyed royal support. The weakening of its authority was manifested by its decision not to allow the holding of municipal elections which were to take place in

645 [666] [644] June, 1932, a measure which is resented by all political parties as a formal violation of the constitution.

From the above it will be clear that whatever popularity the Iorga-Argentoianu Cabinet may have enjoyed, and whatever the hopes to which it may have given rise on its formation, these have now been totally dispelled. This is not without causing a distinct prejudice to Rumania, for undoubtedly, Prof. Iorga is one of the most distinguished Rumanians and represents an immense moral asset for the country. He would have proved an ideal chief for a broad coalition of all political parties, and his presence, owing to his integrity as well as to his erudition would have immensely strengthened the position of such a popularly elected government.

000 Owing to the marked " lipsandry " from which Rumania is suffering, it was an unpardonable mistake on the part of her ruler to expose an eminent personality like that of Prof. Iorga to risk his reputation, and by trading on his sentiments of devotion to the throne to force him to join a team headed by an Argentoianu, who, according to General Averescu, ought to be in the dock, and not on the Ministerial bench.[1]

665 With the passing of time, and with the worsening of the situation, attacks on the present régime have become more virulent. General Averescu, who under Rumania's former kings was often appealed to on difficult circumstances, and who feels that he has been undeservedly ousted by the Iorga-Argentoianu combination, continues his vehement attacks on both Government and King, whom he threatens with the fate of Prince Cuza, deposed forcibly in 1866. Far more significant, however, is the attitude of the National Peasant Party, which so far has maintained a very dignified attitude. All of a sudden on May 15th, 1932, the " Patria," the organ of the Transylvanian section of the party, launched a virulent attack on the régime, denouncing the scandalous exploitation to which Transylvania is being subjected and threatening with a demand for autonomy. This campaign,

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[1] In June, 1932, the "Dreptatea" repeatedly accused Argentoianu of having appropriated 20 million lei of public money, of which, 12 millions between May 17th and 31st, and eight millions on June 3rd and 4th, after he had resigned from office.

National Peasant Party, though it polled less than 50% of 646
the votes cast, secured 272 seats against 114 won by the Opposition. (The Liberals obtained 28, and the section of the party led by M. G. Bratianu, 14 mandates.)

M. Vaida-Voevod having discharged the duty assigned to 646
him retired from office; but as the National Peasant Party possessed a working majority in the newly-elected Chamber, it was called upon to assume power. The Opposition attempted to challenge the right of the National Peasant Party to govern the country owing to the smallness of the poll it secured at the elections, though it was the Liberal party itself, now heading the Opposition, which introduced the law conferring a majority of seats in the Chamber on the party which would poll 40% of the votes.

M. Maniu was besought by his partisans to resume once 645
more the premiership, but after several interviews with the King, declared himself unable to do so. He recommended, however, M. Vaida-Voevod to undertake the task, and accordingly a Cabinet headed by the latter was formed which includes both M. Mihalache and M. Madgearu, and other prominent members of the party. The 652
government thus formed proceeded to secure a loan of 50 million swiss francs, wherewith to pay its officials for the time being, and to publish its program, which in the main lines aims at: Reforming the present electoral law, reintroducing administrative decentralization, and reorganizing the railway administration. Equitable treatment of minorities is promised, as well as a modification of the law concerning the conversion of agrarian debts. At the same time State finances are to be reorganized with the co-operation of the League of Nations.

This last plan, however, will not work out so smoothly, 652
for the Opposition will do its utmost to stir up popular feeling 648
against it. Even when two League delegates arrived in June, 1932, to examine the economic situation, the Press was unanimous in deprecating this public investigation and treating it as an offence against the country's dignity. The most widely read paper, having a daily circulation of some 40,000 copies, appeared with a leading article entitled "the day of shame."

RUMANIA

652. 648 Though there may be nothing derogatory in foreign supervision of Rumanian finances, Rumanian politicians will insist on decrying it as an affront to the *amour propre* of their country, because such control will prevent them from embezzling public funds. However, one may well question whether the League of Nations is the most suitable authority to take in hand such a difficult task after its lamentable failures in Bulgaria and Hungary, where the proceeds of the loans raised under its aegis served mainly to bolster up reactionary governments. After such a disastrous experience—at least so far as British subscribers to these loans are concerned, who have lost two thirds of their capital—it is doubtful whether the League of Nations would again venture to appeal with any hope of success for funds on behalf of its prospective ward. All the more so, since the League is not cut out for dealing with such a mendacious and elusive body of political mountebanks as it will have to transact business with in Rumania. M. Maniu's refusal to reassume the premiership is to be interpreted as a failure on his part to secure from the King implicit assurances that constitutional practices would not be tampered with again, so that the League will not know whom it will have to face when the National Peasant Party is once more turned out of office. It would be better apparently if this formidable job of cleansing Rumania's Augean stables were tackled by a single country, like France, which owing to its ascendancy as an ally, could exert the requisite authority. If the French were given a free hand, they would see at least that their money served its purpose, and they would take adequate precautions to counter-check effectively all the evasions and underhand manoeuvres in which Rumanian politicians are past masters.

[166] late C. M. Stephanov, who was also a member of the
657 Rumanian Senate. The main cause of the effervescence that
563 still subsists is this ill-advised scheme of planting the destitute
[647] Kutso-Vlachs on the farms of the aboriginal inhabitants,
proof of which has been given by M. Georoceanu in a booklet
he has published. M. Georoceanu was formerly a member
of the Rumanian Senate during M. Maniu's tenure of office.

It may be added that the Bulgarians complain of not
[658] having a single school in their villages, and that when they
presented petitions for opening such their signatories had
[659] been prosecuted. Bulgarian priests are no longer allowed to
be nominated, and those that still remain are being gradually
replaced by Rumanians who officiate naturally in their own
language which is not understood by their flocks. A lesser
[204] wrong which receives the condemnation only of the intellectuals,
is the ban on Bulgarian newspapers and periodicals.
Their introduction into Rumania is prohibited, and though
a few months ago the Bucarest press announced that this
embargo would be raised, yet as late as April, 1932 the police
authorities in the Dobrudja had received no intimation of
563 this commendable measure. It is obvious that all these
●644 grievances could easily be removed with a little goodwill on
657 the part of the Rumanian government, and to the westerner
it is incomprehensible that the latter should make no effort
to safeguard the happiness of hundreds of thousands of
human beings whose destiny has been entrusted to its hands.
For it is not only the elementary duty of a government to
care for its subjects, but in this case even political reasons
dictate the following of a more humane and civilized policy.
The bulk of the population being Bulgarian, and having for
forty years enjoyed an independent existence, is utterly
unaccustomed to such maladministration as it is now
experiencing. It is therefore natural that it should be
soliciting the intercession of the Bulgarian government under
whose suzerainty it lived until recently. This is a course
that creates friction between the two governments, keeps
open an old sore, and embitters and strains relations between
Bulgaria and Rumania. The former country would incur
every sacrifice in order to ensure Rumania's friendship, and

it is most regrettable that Rumania, on account of this constitutional impassibility from which she suffers, should neglect the accomplishment of a simple duty that would simultaneously ensure the pacification of a province and the friendship of a neighbouring State. Even Sir Ian Hamilton in one of his books extended this advise to Rumania: " If she values her life let her make it up with Bulgaria whilst she is in the gate." (The Friends of England, p. 130). But so far this soldierly exhortation has not been heeded. 563 657 646

Bessarabia.

" Twelve years of Rumanian rule has alienated Bessarabia more than a century of Russian administration," declared Constantine Stere, the veteran Bessarabian politician who may be considered as the mouthpiece of the population of that hapless region. If one wishes indeed, to form an idea of what the combined evils of corruption, ineptitude, nepotism, and inefficiency can bring upon a land he should visit Bessarabia. It is a standing disgrace, a festering sore, a danger point that will cause a fresh conflagration the moment the Russians across the Dniester can divert their attention from their economic plans to engage in world politics. Such is the desperation of the local population, their utter aversion to Rumanian misrule, the pessimism with which they regard every scheme emanating from Bucarest, that if the Russians would decide to cross the Dniester they would be hailed as liberators. 563 647

Not that the Bessarabians cherish any particular affection for the Russians and for communistic dogmas, but because there is after all a limit to human endurance to evils arising from such glaring maladministration. There is no hope for any amelioration; the Bucarest administration has demonstrated its incapacity to reform itself, and the only hope there may be of placating Bessarabia is the granting of a regional autonomy that may save her from casting longing glances at Bolshevik Russia across the Dniester. As the writer does not wish to be accused of exaggeration or of being imbued with unfriendly feelings towards Rumania, he will proceed to give a description of the position in Bessarabia by an interpolation of various excerpts culled from newspapers that he

for reasons easily understood, is incapable of competing 439
against her northern neighbour. Having to face likewise in the grain trade the formidable competition of the trans-oceanic countries which have industrialized their agricultural production, Rumania finds herself to-day in a most unenviable position, which explains why she is so desperately anxious to conclude preferential agreements with European industrial countries, so that she may have the possibility of disposing of her products at better prices than those at which similar Russian goods are being offered.

In order to market the 1931 harvest the Rumanian Government was obliged to grant a subsidy of 1,000 lei per ton of cereals exported, but after paying about one milliard lei in subsidies, it found that the system constituted too great a strain on its resources and the subsidy was suddenly suspended, many exporters not even receiving their due. The real ratio of exchange between raw materials and manufactured articles, which has lately shifted so markedly in favour of the latter, is another powerful factor which, added to her difficulties in exporting her produce, is making for the industrialization of Rumania.

As this policy of industrialization, which has been followed [439]
since the conclusion of the war, has not given the expected
results, its continued pursuit and intensification can only be 471
persisted in through State intervention, which is also growingly exerted in organizing the exports. Control of exchanges, the clearing system, quotas, and inter-state barter are all gradual stages leading to the ultimate elimination of individual initiative in commercial intercourse and its substitution by collectivist methods. From this stage to the adoption of integral communism is an easy transition, and in view of the close proximity of the Russian example no surprise should be shown if it be imitated not only by Rumania, but by other Near Eastern States, if no other way of escape out of their present difficulties be offered them. The prospect of these States adopting Bolshevism is quite within the domain of possibilities, and this can hardly constitute a very reassuring portent for our Western democracies.

The visit of Ismet Pasha to Moscow in April, 1932, for the 646
purpose of seeing at close quarters how the Communist

648 administrative machinery worked, should serve as an eye-opener to the sceptic. Already, early in June, the Constantinople *Journal d'Orient* has announced that Ismet was intent on applying Russian methods to agriculture in Turkey, and that his Government had decided to create a textile industry on the Russian model and with Russian help. Subsequently the Turkish Press has announced that Russian experts had arrived to choose sites for the proposed works. For this
439 reason it is to be deeply regretted that at the recent Grain
641 Conferences, held in Paris and Rome, the delegates of the British Government did not adopt a more sympathetic attitude towards the views set forth not only by Rumania but also by her neighbouring countries, all of which are faced with the same difficulties. Their demand for preferential treatment with regard to their cereals may run counter to the 'most favoured nation' clause, yet there are methods by which such difficulties as may arise from such complications can eventually be circumvented, and the agreement reached between Rumania and France on May 26th, 1932, which grants the former country a total annual quota of 80,000 tons of wheat with a 40 per cent reduction in duties, is a case in point. This agreement brought into force automatically the long-talked-of preferential treaty with Germany,[1] which gives to Rumania an annual quota of some 200,000 to 250,000 tons of maize and of 400,000 to 500,000 teons of barley, with a 60 per cent reduction for the former and one of 50 per cent for the latter, and also secures for Rumania the right to export to Germany 7,000 head of cattle
000 and 70,000 pigs per annum. Of course Rumania has had to grant corresponding advantages to Germany for certain of her industrial products, so that, taking into account that Great Britain is the largest grain-importing country, importing on an average three or four times as much as Germany, it would seem that it would be to our advantage and within our means to conclude similar arrangements. In 1931 we imported a total of 222 million bushels, of which 50 millions came from Canada, 39 from the Argentine, and 21 from the

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[1] In August, 1932, a trade agreement between Italy and Rumania was signed, both countries making mutual concessions in their tariffs.

TRADE

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EXPORTS TO:—

Country	Tons.	Value in 1,000 Lei.	Percentage of total.
England	995,282	3,230,452	11.23
Austria	425,175	2,588,536	9.07
Czechoslovakia	306,552	1,965,011	6.96
Germany	1,428,686	5,363,396	18.80
Hungary	1,187,651	2,127,371	7.46
Italy	1,260,742	3,674,836	12.88
Poland	96,499	452,250	1.58
France	607,302	1,968,960	—
Greece	218,049	686,169	—
Yugoslavia	242,750	509,556	1.79
Bulgaria	142,554	363,246	—
Holland	453,576	1,356,742	—
Egypt	544,911	1,194,361	—
Belgium	284,881	905,519	—

IMPORTS FROM:—

Country	Tons.	Value in 1,000 Lei.	Percentage of total.
England	54,303	1,873,712	8.13
Austria	41,412	2,678,949	11.63
Czechoslovakia	138,226	3,370,354	14.63
Germany	135,911	5,776,751	25.07
Hungary	60,817	908,111	3.94
Italy	38,367	1,825,419	7.92
Poland	134,675	983,301	4.27
France	—	—	—
Greece	—	—	—
Yugoslavia	23,532	79,600	0.34
Bulgaria	—	—	—
Holland	—	—	—
Egypt	—	—	—
Belgium	—	—	—

An examination of the above figures will readily convince the reader that Rumania, which exports 90 per cent of its cereals and 75 per cent of its oil, outside the Danubian countries, can find little inducement to participate in such a scheme as that of the Danubian economic federation proposed by France. Even members of the Government paid lip-service to M. Tardieu's plan, and if there was no outspoken criticism of it this was due mainly to the desire to avoid hurting French susceptibilities. The promised financial

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439 644 aid was the only attractive feature of the scheme, and if this plan materializes it may be taken for granted that the pecuniary assistance implied is the reason for its acceptance, and even then it is clearly indicated that such co-operation between the Danubian countries is to serve only as a prelude to a vaster project, namely that of a European Customs Union. A few figures will, however, show that this plan is not practicable. Thus Austria in 1930 imported 765,600 tons and Czechoslovakia 592,600 tons of cereals, while Hungary, Rumania, and Yugoslavia annually disposed of 3,350,000 tons on an average during the years 1928–1930, or about two million tons more than the two industrial countries of the Danube basin could absorb, for the quantity of cereals these two countries buy from other than the Danubian States is infinitesimal. They likewise import 90 per cent of the meat they require from Hungary, Poland, and Rumania, so that the available margin for an increase on this item is also very limited. Concerning petroleum, Rumania exported in 1930 a total of 3,850,000 tons, of which only 1,150,000 tons were absorbed by Czechoslovakia, Austria, Hungary, and Yugoslavia, so that she had to dispose of the rest elsewhere. Apparently there is no inducement whatever for Rumania to join this proposed Danubian Union, and it is only the bait of financial aid and the desire not to ruffle France that will induce her to adopt a benevolent attitude towards it. In fact Rumania will be adversely affected, for she can only increase her sales to the other Danubian countries to a very limited extent, while she will be obliged to extend a preferential tariff to Austrian and Czechoslovakian manufactured goods which, on the one hand, will injure her own industry, and on the other, will affect adversely the import of manufactured goods of other countries, since they will have to pay higher duties than those on the corresponding Austrian and Czechoslovakian articles. It is certain, now that the preferential treaty with Germany has come into force, that the latter country will not regard with equanimity the realization of a Danubian Customs Union, which is likely to debar her from the advantages her trade arrangement with Rumania actually confers on her. 000 All these considerations go to show that

RACIAL ASPECTS OF ROMANIA'S CASE

175 On June 26, 1940, the Soviet Government delivered an ultimatum at
648 Bucharest demanding the immediate cession of the province of Bessarabia, which had been under Russian domination for a brief century of its existence, as well as of the northernmost districts of Bucovina. Many Romanian patriots counseled resistance and hoped for assistance from the Western democracies; but those with longer memories recalled the non-arrival of the British and French aid solemnly promised in the treaty under which Romania entered the first World War, and the more recent fate of Czechoslovakia. Not merely was aid uncertain and remote, but once the Romanian Army was engaged on the Russian frontier, attacks were certain to follow on the western Transylvanian border. So with a heavy heart Romania yielded to overwhelming force and once more a blow such as Austria, Czechoslovakia and Poland had experienced succeeded in its impact.

Only a month earlier I myself had given a lecture in Romanian in the
000 huge, filled to overflowing Eparchial Hall of the Bessarabian capital, and had thus had recent and vivid experience of the cultural upswing given by the Romanians to a city I had first known in 1919 as a sleepy provincial center, for generations victim of administrative neglect and with even Russian schools few and far between. Some ten years ago I had had the privilege of being present at the dedication of a school in a large Russian village in Bessarabia and had been keenly impressed by the good feeling between Russians and Moldavians evidenced by the ceremony and the celebration afterward.

The Communist aggression of 1940, establishing Russia at the mouth
175 of the Danube and a step nearer the Dardanelles, affected not merely
648 Romania but the entire continent of Europe, upsetting as it did the balance at a traditional danger spot. It was not merely a warning to Bulgaria, Yugoslavia and Turkey that a new campaign of aggression had started, with no more justification than the right of the stronger, but it focussed German attention on that part of the world and evidently led the German strategists to feel that a stronger bulwark against future Russian aggression was needed than would be furnished by the Pruth or the Sereth rivers. The Carpathians were obviously the new line of resistance, and subservient Hungary was only too ready to act as the German tool. It is tragic to reflect that a genuine policy of reconciliation on the Kremlin's part, which by creating a loyal border zone all the way from the White Sea and the Baltic to the Black Sea might even perhaps have prevented this war, was sacrificed to imperialistic ambitions that have since plunged mankind in its bloodiest struggle.

Anxious to guard against the new Russian move, the Germans gave Romania no credit for her correct attitude in holding aloof from the appeals of Romanian fractions of the Carpathian Ukraine to be annexed to Transylvania, just as later she maintained the same correctness by turning a deaf ear to similar prayers from Romanian communities in the break-up of Yugoslavia. To the Germans also this attitude was merely evidence of weakness, and a weakness of which the Hungarians have never been guilty. Accordingly, Berlin and Rome encouraged the Hungarians by the Vienna Award to seize parts of Transylvania where the Romanians have always been in a majority not contested even by the Hungarian census figures; and Magyar troops not merely occupied the territory, but with the utmost ruthlessness expelled the Romanian intellectual élite whose rights had been guaranteed by the Award, and with their traditional barbarity even put a considerable number of them to death.

Romania had to yield to force, the German-Russian pact still holding. But the next turn of the kaleidoscope, the break between Hitler and Stalin, gave her the cherished chance of recovering her lost provinces of Bessarabia and Bucovina. And here Romania has again given proof of her sense of justice by refraining from lodging claim to territorial expansion east of the Dniester into the Ukraine notwithstanding the hundreds of thousands of Romanians forcibly settled there in the century of Czarist rule over Bessarabia.

Opposed to expansion at the expense of her neighbors, Romania is not less determined to protect her natural and historic limits against encroachment and to bring within them the greater part of such Romanian masses as still live under other règimes. With the recovery of the territory lost in the east, the Romanian nation once more feels free to look with hope to a solution of its western problem. True enough, after a searching inquiry the claims of Hungary to Transylvania had been definitely denied by the concert of Europe in 1920. Nor was the right of Romania to Transylvania thus affirmed on historical grounds alone. In 1920, and doubtless more so today, the right of all peoples to a government of their own choosing and the exercise of this right for the whole by the decision of a majority could not be denied. The Romanians are fortunately able to establish by facts and figures that every historical subdivision of their homeland has an uncontested Romanian majority. The proof consists of the scientific data collected by an American-trained staff during the population census of 1930. Their authenticity rests not only on the fact that nationality was not determined arbitrarily by the

175 648 census taker but by the free statement of each inhabitant; it is confirmed by the consonance of the findings whether taking race, language or religion as criteria, as well as by comparison with the official population statistics of Austria-Hungary and Russia.

121 Inasmuch as the Award of Vienna was necessarily an expedient, I have thought it useful to give here a comprehensive abstract of Romania's racial figures together with historical outlines of her border regions, in the conviction that no lasting solution of European unrest could afford to disregard or minimize the racial realities of the continent's perennial danger zones.

C. U. C.

North Hatley, P. Q.
October 20, 1941.

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BUCOVINA

The latest trial of the population of Bucovina at the hands of a powerful neighbor emphasizes the possible fate of every small nation intent on peaceful progress. By her ultimatum of June 26, 1940, Russia attempted to justify her demands on northern Bucovina, to which she had never had a vestige of title, as "a means of securing indemnity even in an insignificant degree for the great damage inflicted upon the Soviet Union and the population of Bessarabia by twenty-two years of Romanian domination." It is far more convincingly described as an act of unprovoked aggression by the very terms which Russia herself had subscribed to at London, July 3, 1933.[1]

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[1] Convention for the Definition of Aggression, between the U.S.S.R. and Afghanistan, Esthonia, Latvia, Persia, Poland, Romania and Turkey, Art. 2: "Shall be deemed aggressor in an international conflict . . . the state that first shall commit one of the following acts: 1. declaration of war on another state; 2. invasion by its armed forces, even without a declaration of war; 3. attack with its land, naval or air forces even without a declaration of war, against the territory, vessels or airships of another state; 4. naval blockade of the shores or harbors of another state; 5. aid to armed bands which from its territory shall invade the territory of another state . . ." Art. 3: "No consideration of a political, military, economic or any other nature shall serve as an excuse or justification of aggression as defined in Art. 2."

Satu Mare and Maramures, or 408,438 souls. The remainder of 43,000 162 Hungarians in the territory recently awarded Hungary live scattered 728 over a region containing not less than 274,240 Romanians, besides other races.

Clearly, a permanent solution of the Hungaro-Romanian problem would have had to recognize this geographical distribution and treat each group on its merits.

The western group of 408,438 Hungarians forms 30.0% of the total population (1,361,996) of the region containing them; the Romanians there number 742,509, or 54.5%, and other nationalities 211,049, or 15.5%. At the preliminary conference x held in the early Summer of 1940 at Turnu 648 Severin between Hungarian and Romanian delegates seeking a direct amicable settlement of the dispute, the Romanian delegation could not fail to point out that by an equitable rectification of the then existing frontier and an exchange of populations a settlement could be reached that would in effect reduce to a minimum the number both of Hungarians in Romania and of Romanians in Hungary. But the Hungarian delegation, instructed to claim the whole of Transylvania, would not entertain a practical and real settlement. As a consequence, 742,509 Romanians [728] and 211,049 other nationalities, or a total of 953,558 non-Hungarians, were turned over to a bitter foster-government to make possible the repatriation of the 408,438 Magyars of Western Transylvania. As beneficiary of a settlement that delivers to her two unwilling aliens for every one of her nationals, Hungary has proved again that she is not interested in the creation of conditions that would insure a firm peace, but in an expansion which, at the cost of her neighbors, will enable her to assume the role of Hapsburg Austria in the East.

The central Hungarian group in Transylvania poses a different problem. 162 This group, non-contiguous with the Hungarian frontier traced in 1920, had even before that date shown but little interest in Hungary, to them a distant country; their concern had mostly been in Moldavia, adjoining and familiar territory where they often sought and found profitable employment. There are thus grounds to doubt that they could find satisfaction in their present position, isolated as it is by the new Vienna boundary from main railway connections, from their natural economic outlet of Brasov and the opportunities of steady employment in Romania. Nor, seemingly, could they find comfort in an embittered atmosphere, in the close everyday contact with the 159,684 Romanians living among them or in the solid block of 273,839 Romanians that divide them in the north from their kinsmen.

x [preceeding the Vienna[19] agreement in 1940 --
--Analyst]

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

[Transylvania]

563 leges. In 1919 they accepted the union of Transylvania with the Old Kingdom. In the inter-war period the Germans in Rumania enjoyed a far better treatment than any other minority, and in Transylvania they were by far the most prosperous community. Nevertheless, the pan-German policy of National-Socialism found many supporters in their ranks.

131 648 [161] *Vienna Award.* Before the Vienna Award of 1940 Transylvania covered an area of 24,600 square miles and had a population of over 3,250,000, including 200,000 Jews. The decision of the German and Italian Foreign Ministers in Vienna split Transylvania in two, a measure never before carried out during the eventful history of the principality and certainly harmful and unjust to all the parties concerned. There is no doubt that this 'solution', which has only complicated the Transylvanian question and made its real solution more difficult, was made deliberately in order to make both Hungary and Rumania more dependent on Germany's support.

133 *Geography and Products.* The Transylvanian highlands are surrounded on three sides by the high mountain chains of the Carpathians. In the south-west the border is formed by the 'Western Mountains' (Muntii Apuseni), and in the north-west by the hills which eventually merge into the Hungarian plain. The Rivers Mures, Somes and Tarnava divide the highland in three distinct parts, the steppe, the hills and the forests. Parallel with the outer ring of the Eastern Carpathians there runs a belt of volcanic mountains with many small valleys. In the south-east there is the fertile and hilly district of Trei-

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

[The Bukovina]

[Bessarabia]

000 small deposits of coal, gold and lead, but the industry of the province is well developed.

361 The capital of the Bukovina is Czernowitz (Cernauti[R]) with over 100,000 inhabitants. The town is situated on a high hill near the Pruth and is a great commercial centre. Here branches of the Austrian banks and some big Viennese businesses remained. The population of Czernowitz, like that of the rest of the province, is very mixed. Economically important as a junction of several trade-routes, Czernowitz has also become a great industrial town during the last fifty years.

648 In June 1940 the Northern Bukovina, including Czernowitz, altogether about 2,260 square miles, was ceded by Rumania to the U.S.S.R. Thereby over 550,000 people, mostly Ukrainians and many Jews, became Soviet citizens.

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161 **BESSARABIA.** For over twenty years the province of Bessarabia was the eastern frontier region of Greater Rumania. It covers an area of 17,760 square miles and has a population of 3,000,000.[1] Bessarabia is surrounded by natural frontiers: in the north and east by the River Dniester, in the south by the Black Sea and the Danube, and in the west by the Pruth.

133 The north of Bessarabia is formed by a highland about 1,000 ft. high, consisting of fertile arable land which belongs to the 'black-earth' region of the Ukraine. The central area is hilly country, divided

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[1] To which were added 120,000 Polish and Ukrainian villagers transplanted from Eastern Poland by the Soviet authorities shortly before their retreat before the German attack in 1941.

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

[Bessarabia]

000 down after heavy fighting and the burning of many villages.

635 563 [452] The political situation[1] in Bessarabia was partly the cause and partly the effect of economic conditions. Agricultural credit for those peasants who had received land was non-existent. Communications were neglected and allowed to fall into complete decay. There was only a small amount of trade, which was largely in the hands of the Jews. This encouraged the spread of anti-Semitic propaganda which was fostered by the Government. The Ukrainian and Russian population was deprived of all cultural rights. The German minority was the best treated, but even the Rumanians of Bessarabia were regarded by the central government with suspicion.

635 648 Following a demand by the Soviet government, which had never recognized the annexation of Bessarabia, Bessarabia was ceded by Rumania to the U.S.S.R. in June 1940. When Rumania joined Germany in the attack on the Soviet Union in 1941 Bessarabia and the Northern Bukovina were again occupied by Rumanian troops.

[1] [ie: the frequency of popular uprisings – Analyst]

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

7>8 From the very beginning three factors influenced the new State. The territorial gains of Rumania put the country into the ranks of the 'satisfied' powers whose main aim was the preservation of the *status quo*. Moreover, the foreign policy of Rumania had to be based upon the support of Britain and France, who were interested in the strengthening of those States which had been created or enlarged as a result of Allied aid. Another decisive influence was the presence of great numbers of minorities within the borders of Greater Rumania. Apart from the internal problems involved, this was also a continuous source of trouble with at least two of the neighbouring States—Hungary and the Soviet Union. The third, and by no means least important, was the question of social reform and the unification of the administrative machinery.

FOREIGN POLICY.[1] All parties in the State agreed upon the foreign policy to be pursued. Support of French interests in South-Eastern Europe coincided with those of the ruling classes of Rumania. The defensive alliance with Czechoslovakia and Yugoslavia against the revisionist claims of Hungary, known as the 'Little Entente', was sponsored by France, concluded in 1920 and maintained up to September 1938 when Czechoslovakia was forced to make territorial concessions to Germany, Hungary and Poland. In 1921 Rumania concluded a defensive alliance with Poland directed against any westward advance of the Soviet Union and later joined the 'Balkan Entente', whose purpose it was to prevent Bulgaria from regaining territories taken from her. Rumania was throughout the ally of France. 648

[1] [Of the period from 1919 to 1939--Analyst]

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

665 to blame other factors for whatever might go wrong
565 as there was no *boiar*-class left. The invisible, but
662 much more effective, financial control, continued to
assure the rule of the same classes who had governed the country before.

Soon the Liberal Party again took over the
665 government. I. Bratianu was the undisputed chief
● 648 of his party and had the confidence of the king. His
whole policy was directed towards the strengthening of the power of the interests he represented. This, combined with his hostility towards the Soviet Union and Hungary had serious consequences which, however, became apparent only several years after his death.

643 **THE MONARCHY.** King Ferdinand, who had been
665 crowned at Alba Julia in 1923, died in 1927. This
caused a serious crisis, for two years earlier the Crown Prince Carol had been forced to abdicate in favour of his infant son Michael. After Ferdinand's death a Regency Council of three was appointed to act in the king's name until he came of age. The Regents were naturally strongly influenced by Bratianu, but, when he died in 1928, the leader of the National Peasant Party was entrusted with the formation of a new government. Maniu secured a great electoral victory and his tenure of office was expected to bring about far-reaching changes. The new administration set about solving the minority question and the serious economic problems resulting from the incomplete land reform which instead of bettering had often worsened the lot of the peasants. Unfortunately at that time the world crisis had reached its worst stage. Although his

mentary seats. This device, combined with the 666
electoral methods adopted, normally assured the 665
continuance of the government in power.[1] In
Foreign Affairs the Liberals supported the French [648]
Alliance and the League of Nations in whose councils the Foreign Minister, N. Titulescu, had considerable influence.

The National Peasant Party led by Maniu and 665
Mihalache had the support of the rural population and represented the Left Wing of Rumanian politics. The party stood for a genuine Land Reform. It was not, however, a homogeneous party. From the first it had a Right and a Left Wing. As time went on, and especially when the political situation became more confused in the late thirties, the Right Wing tended to sympathize with the Iron Guard against the Royal dictatorship and the Left Wing with the Communists. The failure of the National Peasant Party to hold power after 1928 was due to the lack of confidence in the people, the fear of radical changes favoured by many sections of the population and hesitation to attack the firmly entrenched vested interests resolutely.

Although Rumania had a parliamentary constitu- 661
tion the country was ruled by anything but democratic methods. Parliamentary representatives, ministers and the press could be made to advocate and carry out any measure if adequately paid by interested parties. The corruption of the lower civil service seemed as nothing compared with that on the top. State contracts, exemption from taxes and

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[1] It failed only twice: in 1928 when the National Peasant Party gained an electoral victory and in 1937 when Tatarescu's government fell.

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

661 preferential legislation, the right to exploit natural resources under State control, could all be and were secured by Rumanian and foreign trusts for comparatively small sums. The mismanagement and appropriation of public money by government officials, including the court, had ruinous consequences for the population which knew about these things, but was unable to do anything about it. [651] Indirect taxation, heavier and more ingenious than anywhere else in Europe, provided an inexhaustible source of income for those in power. The 'aviation-stamp', for example, which had to be affixed on every bill, theatre- and cinema-ticket, etc., was supposed to secure a strong Rumanian Air Force. In fact Rumania possessed hardly any aircraft at all as the funds were misappropriated throughout.

• 648 661 **THE ROYAL DICTATORSHIP.** The instability of Rumania's economic and political life and her geographical position made the country extremely sensitive to any changes in Central Europe. Therefore the rise to power of the National Socialists in Germany, the risings of February and June 1934 in Austria and world reactions to these events had [668] immediate repercussions in Rumania. The Liberal Prime Minister Duca was assassinated in December 1933 by members of the Iron Guard. Tatarescu took over and decreed a state of siege, which has not been lifted since, ostensibly to repress and destroy the Iron Guard. In fact exactly the opposite course was adopted. The democratic forces which began to rally in order to fight Rumanian Fascism were persecuted by the government whilst the terrorists were allowed to continue their activities.

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

662 attracted personalities who were willing to abjure
643 their political faith and serve the Crown.

While continuing to pay lip-service to the League
643 of Nations, he supported the Italian campaign in
● 648 Abyssinia by sending food and war material to Italy.
During the Spanish Civil War propaganda in favour of Franco was allowed and supported, while anything in favour of the Republican cause was banned.[1]

The result of the elections in December 1937, on
643 the eve of Hitler's seizure of Austria, precipitated
665 events. The government of the day, headed by the
Liberal Tatarescu, failed to secure the necessary 40% of the votes and resigned.[2] Carol refused to entrust Maniu with the formation of a government; and the Iron Guard had by now assumed such a hostile attitude towards the king that a compromise with them was out of the question. Consequently Carol called the 'National Christian Front' to power, an anti-Semitic and Fascist organization led by the poet Goga and Professor Cuza. Goga became Prime Minister and his cabinet contained former members of the Liberal and Peasant Parties who now went over to the absolutist camp, as well as the future 'Conducator'[3] Antonescu.

[1] General Cantacuzino and several legionaries joined Franco and when two of them were killed their coffins were carried all over Rumania with great processions and interred at the headquarters of the Iron Guard in the presence of German, Italian, Spanish and Japanese representatives. At the same time collectors for the Republican cause were imprisoned. Nevertheless there were many Rumanians fighting for the Republicans in the 'Dimitrov' battalion.

[2] The result was: Government 35·9%, Peasant Party 20·4%, Iron Guard 15·5%, National Christian Front 9·1%.

[3] Leader.

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

643 found guilty in a libel action. The only immediate
● [648] danger, the revisionist claims of Hungary and Bulgaria, was to be eliminated by an even friendlier attitude towards Italy and Germany, and Carol's tour of the European capitals, including London, was intended to reassure the democracies.

643 Beneath the surface, however, the struggle between the Iron Guard and Carol continued. While Carol was on his tour, Codreanu and thirteen of his legionaries were shot by their prison guards. The Minister of the Interior, Calinescu, a former member of the National Peasant Party, who succeeded to the premiership after Miron Cristea's death in March 1939, ordered further repressive measures and was himself assassinated by Iron Guardists in the autumn of the same year.

563 668 THE FIFTH COLUMN. Nazi Germany found an extremely fertile soil for its propaganda not only among the Rumanian Fascist parties and some generals and industrialists, but also amongst the many Germans living in Rumania. They were economically prosperous and the best treated of all minorities in Rumania. The most important communities were the settlements in Transylvania and in the Banat. At first Nazi propaganda was not very successful owing to the economically favourable position of these Germans and their comparatively strong religious feeling.[1] But as time went on it had great successes. Under the cloak of cultural associations Nazi cells were formed which soon spread into every German village. Unwilling Germans were

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[1] The 'Saxons' are Protestants, the 'Aelpler', also in Transylvania, and the 'Schwaben' of the Banat Roman Catholics.

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

forced into these organizations by social and economic pressure. Combatant units, armed and 563 668 trained, consisted of youths who learned the Nazi doctrine in their schools. Financial assistance came from the German banks in Rumania: they supported the transactions of the 'Association for Export to Germany', which secured a virtual monopoly in the export trade of grain, cattle and pigs to Germany and Italy, as well as the hemp-growing scheme, which met with considerable success in the Banat.

Similarly the German papers published in Rumania soon passed under Nazi control. Their information was received from news agencies in Germany which also supplied them with commentaries and feature articles. Naturally the Rumanian Fascists were supported by the German-Rumanian Nazis who acted as go-betweens and agents of their masters in the Reich.[1]

The pro-Nazi Germans of Rumania who had 563 always possessed good economic, industrial and 471 financial connexions were able to render valuable assistance in the economic penetration of the country by German trusts. In 1933, for example, the fusion of several chemical firms in the Banat and in Wallachia brought them entirely under German control. That they produced semi-finished material for explosives enhanced their value. The iron and

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[1] The outrages of the Iron Guard, such as the desecration of Jewish synagogues and cemeteries, destruction of 648 Jewish shops, political murder and blackmail, were aided and abetted by the German Nazi agents. A series of fires and bomb-explosions in Timisoara in November 1938, as well as other terrorist acts, were committed by members of the Iron Guard jointly with some German youths who were known to the public but escaped punishment.

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

578 of this class and those who wanted to secure this
565 dominant position for themselves.

665 These divisions were complicated by the personality of King Carol and the attitudes of different sections of the ruling circles to his personal regime. One group put its trust in the royal dictatorship and included supporters of the pro-French and pro-British wing. Many prominent politicians from both great parties were attracted to this camp, the Liberals Tatarescu and Micescu, for example, and the peasant leaders Vaida-Voevod and Calinescu. Another group went over to the extreme Right Wing and supported the Iron Guard and similar but smaller organizations, and these inclined to a pro-German foreign policy. There were naturally some who tried to steer a middle course.[1]

665 Economic and financial considerations played an important and often decisive part in this political
648 alignment. The Liberals had a great interest in a pro-Allied policy as they were closely connected with British, French and American investments in Rumania. The extreme Right Wing counted on support from Germany, which was readily given, and in return it facilitated the growth of Germany's political and economic influence. Both groups had discarded both the cloak and the spirit of democracy, and their leanings towards dictatorship, varying in form but not in substance, facilitated the victory of

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[1] C. Bratianu, leader of the Liberals, joined Carol's 'party' but only in order to keep his great industrial and financial interests. Maniu, the leader of the Peasant Party, remained passive. He showed sympathy to the Iron Guard in their opposition to the king's dictatorship and later joined Bratianu in seeking to restrain them: but he retained his pro-French leanings.

the pro-Nazi group. This, combined with the 665
developments in the regions bordering on Rumania, 648
and the changes in the international situation, explain the seemingly inexplicable migration of the majority of the Rumanian ruling class from the Allies' to the Axis camp. The real rulers of Rumania depended to a great extent on foreign support: when the power of Britain and France seemed on the wane they had to look for new protectors, and many, though not all, therefore became pro-German.

THE LAST DAYS OF GREATER RUMANIA. The year 661
1939 opened ominously for Rumania. The alignment of power on the continent of Europe had its 648
counterpart in the grouping of Rumania's political forces, and the impending Great War threw its shadow on the sombre scene of Rumanian politics. After the assassination of Codreanu in November 1938 a wave of terror and repression swept the whole country, which resulted in a series of wholesale murders committed both by Iron Guards and the police. The new 'Party of the Nation' which had replaced the 'Front of National Renaissance' was an artificial veil for the manipulations of Carol and the court. The unstable political edifice, erected by the king tottered, in spite of the British Government's guarantee of 13 April 1939, which promised to assist in the defence of Rumania's independence. Germany increased her pressure to obtain a greater hold on Rumania's natural resources, while Britain and France tried to maintain their economic position.

At the outbreak of hostilities in September 1939 Rumania, although allied to France and Poland, remained neutral. The internal situation deteriorated

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

661 with alarming speed. The assassination of Calinescu,
648 who had been responsible for the murder of Codreanu and others, was followed by yet another series of savage reprisals. The collapse of Poland brought a flood of refugees into the country and made Rumania's international position even more difficult. Many Poles were interned, many managed to bribe their way through to a port or across the frontiers.

In the economic field the Rumanian government
648 tried to repeat the policy which its predecessor had pursued in the period 1914–16, when it profited from deals concluded with both belligerent camps. This time, however, German penetration was much more thorough and the economic agreements concluded between Germany and Rumania reinforced Germany's capacity to wage war very considerably. This naturally led to important consequences in the field of internal politics. In spite of the very recent repressive measures against the Iron Guard, Carol now adopted a more conciliatory attitude towards this organization. Now that Codreanu had been eliminated, he sought to strengthen his position by including Iron Guards in his government, amongst them Horia Sima who had become their leader. This seemed all the more necessary as the king's isolation in internal politics had its counterpart in the country's isolation in the international field. The revisionist claims of Rumania's neighbours were raised again, and Carol tried to rally the people by embarking on an intensive policy of rearmament for the defence of Greater Rumania. Distrust in the king and the general disintegration had, however, gone so far that the continuance of the whole régime

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

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became impossible. The last blow came with the fall of France in June 1940. For over a century the Rumanian middle class had depended on French support. The cultural, economic and military ties between the two countries had always given the Rumanian bourgeoisie a feeling of security. The defeat of France therefore had immediate and profound reactions in Rumania. The pro-German wing, whose policy now seemed more justified than ever before, was triumphant; and the former adherents of the Allies transferred their allegiance more or less reluctantly to the victorious Nazi camp.

THE END OF GREATER RUMANIA. The collapse of the whole framework of the European Settlement, upon which Rumanian foreign policy had relied, occurred in the summer of 1940. The problems which had confronted the new State when it arose after the First World War had not been solved. On the contrary. The question of the minorities had become more complicated and acute; social conditions were in some respects worse than before 1914. In the sphere of foreign affairs the vacillating attitude of subsequent governments had left Rumania completely isolated. The sympathies of Britain and America had been lost; France was defeated; Germany looked upon Rumania as a valuable prize which she intended to seize and exploit; Hungary and Bulgaria were waiting for an opportunity to recover the territories lost to Rumania; Yugoslavia was already under indirect German domination; Czechoslovakia and Poland had disappeared from the map of Europe. The attitude of the Rumanian ruling class to the Soviet Union

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

● 648 had remained bitterly hostile in spite of the resumption of diplomatic relations in 1934. The question of Bessarabia had never been solved, and it was this issue which eventually opened the last chapter in the history of Greater Rumania.

THE U.S.S.R. TAKES BESSARABIA. Ever since the annexation of Bessarabia to Rumania, the Soviet Union had demanded the return of this province and had repeatedly proposed to ascertain the will of the population by a plebiscite. These proposals were always rejected by the Rumanian government. On 26 June 1940 the Soviet government addressed a note to Rumania which demanded the return of Bessarabia and the cession of the Northern Bukovina.[1] While the Soviet claim to Bessarabia was based on historical titles, the claim to the Northern Bukovina was made on the ground that the majority of the people were Ukrainian. The Rumanian government first tried to obtain the backing of Germany to oppose the Soviet demands. When this was refused, in virtue of the German-Soviet Pact then in force, it had no choice but to hand over the territories demanded. Soviet troops marched into

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[1] The Soviet note stated *inter alia* '...in 1918 Rumania took advantage of the military weakness of Russia and robbed the Soviet Union by force of part of her territory, namely Bessarabia, and thus broke the century-old unity of Bessarabia (principally occupied by Ukrainians) and the Ukrainian Soviet Republic...the handing over of the Northern Bukovina may be regarded as a compensation, though only in a small degree, for the tremendous loss which the population of the Soviet Union and the population of Bessarabia have suffered through twenty-two years of Rumanian rule in Bessarabia'.

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

Bessarabia and the Northern Bukovina on 28 June; although some local resistance was offered, the occupation was completed swiftly. As soon as the population learned of the impending incorporation of Bessarabia in the U.S.S.R., many peasants flocked into the towns and ejected officials under whose rule they had suffered. Many political prisoners were freed after years of confinement. Some families from Moldavia and other adjoining areas crossed the Pruth and Danube into the new Soviet territories. A number of Rumanians, especially recent settlers, military and administrative personnel and their families fled into the Old Kingdom; most of the German colonists of Bessarabia were evacuated under an agreement with the German authorities and were later re-settled in Poland and Alsace-Lorraine. There were numerous deserters from the Rumanian Army who, instead of returning with their units, remained in Bessarabia and in the Northern Bukovina.

By the cession of Bessarabia and the Northern Bukovina, Rumania lost a territory of about 20,000 square miles with a population of nearly 3,500,000. Further, this meant a diminution of Rumanian arable land by about one-quarter, and of livestock by 15%.

THE VIENNA AWARD. The reunion of Bessarabia with the Soviet Union encouraged the Hungarian government to raise once more its claims to the western provinces of Greater Rumania and to Transylvania. The Hungarians had never at any time since 1919 abandoned their hopes for the recovery of these districts.

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12: Korinos S-4, 5 (no date) 1944

ED1 Rumania ED1

648 Carol realized that some attempt to reach a settlement had to be made, for Hungary's claims were now backed by Germany. Negotiations between Hungary and Rumania began at Turnu-Severin, but they soon broke down. Eventually the representatives of both countries were summoned to a conference at Vienna and Ribbentrop and Ciano imposed upon them the Vienna Award on 30 August 1940. By this decision, Rumania was forced to cede an area of about 17,000 square miles with a population of some 2,500,000 to Hungary. Rumania thereby lost the Maramures and parts of Crisana and Transylvania.[1] The partition of Transylvania has not only not solved the national and economic problems of this area; it has seriously aggravated them. The motives behind this German move were undoubtedly: to prevent an armed clash between Hungary and Rumania; to put Hungary under an obligation of gratitude to Germany; and to leave Rumania with the recovery of Bessarabia as the only possible compensation for her humiliating loss. The success of this artful policy facilitated Hitler's designs, when in the following year he compelled both Hungary and Rumania to take part in his invasion of the Soviet Union.

The loss of the greater part of Transylvania meant much more than the loss of some thousands of square miles of arable land, livestock, natural resources and valuable factories. The Rumanians regard Transylvania as the cradle of the nation and the

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[1] According to Rumanian figures the population of the ceded territory was 2,395,153, of which the Rumanians numbered 1,176,433 (based on 1930 linguistic census). The Hungarian figures (1941) give the total as 2,577,291, of whom 1,066,353 were Rumanians.

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

heart of their homeland. Their desire to recover Bessarabia, to which their claim was far more contestable, was fanned by German propaganda in order to deflect them from their real aims and interests. Their feeling for Transylvania is a natural one, rooted in the tradition of many centuries.[1]

The transfer of Transylvania to Hungary had serious economic as well as social and political consequences for the population. Rumanian peasants were expropriated and their land was given to Hungarian landowners, who have recovered many of their pre-1918 positions. The treatment of the Transylvanian Rumanians by Hungary has led to many incidents. There is a continuous exchange of accusations and denunciations going on in the press of Hungary and Rumania.[2]

Following the cession of Transylvania Bulgaria demanded the return of the Southern Dobrudja, which was agreed to at Craiova on 7 September 1940. This involved the loss of a further 2,960 square miles with a population of some 350,000.

So in less than two months the inflated Rumania of the Peace Settlement had lost an area of nearly 40,000 square miles and a population of over

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[1] Lord Halifax declared on 5 September 1940: '. . . they [the British Government] are unable to accept the settlement now announced of the Hungarian-Rumanian dispute over Transylvania, since that settlement is the result of an award by the Axis Powers and imposed under duress on Rumania.' On the other hand, the return of the Southern Dobrudja to Bulgaria did not meet with criticism on the side of the Allies.

[2] There have been numerous demonstrations in Transylvania both for and against Hungarian occupation, and trials of Rumanian patriots and alleged Communists. The atmosphere in that area is extremely tense.

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

●648 6,250,000.[1] Greater Rumania had ceased to exist.

668 **THE FLIGHT OF THE KING.** The territorial losses and the disintegration of Greater Rumania were only the outward signs of internal decay. The vigour and strength of the people, however, were not yet broken. The cession of Bessarabia and the Northern Bukovina aroused feelings which fortified the popular movement. Demonstrations were held in all the big Rumanian towns demanding the abdication of Carol and the creation of a truly democratic government. At the same time territorial concessions to Hungary were opposed; and when it became known that the Vienna Award was to be accepted, in spite of the vigorous protests of almost all well-known Rumanian statesmen, police and soldiers had to be employed against thousands of indignant demonstrators in order to maintain 'peace and order'.

Popular discontent and fury against the king were cleverly exploited by the Right Wing. The Iron Guard, whose opposition to his personal rule was well known, turned the popular feeling to good account. They were the loudest in demanding the abdication of Carol, but naturally not in order to enable the formation of a democratic regime. This

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131 [1] The remaining territory covered an area of less than
162 80,000 square miles; the population had shrunk to about 14,000,000. Official Rumanian figures state that Rumania's population in 1942 was over 16,000,000, of which over 13,000,000 lived on the land (Wallachia, 6,200,000; Moldavia, 2,800,000; Bessarabia, 2,700,000; Bukovina, 800,000; Dobrudja (without Southern Dobrudja), 500,000; Rumanian Transylvania, 2,400,000; Banat, 1,000,000).

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

so-called national and revolutionary movement 668
betrayed its German inspiration by supporting and
approving the handing over of Transylvania to
Hungary, but opposing the cession of Bessarabia to
the U.S.S.R.

The king's Prime Minister, Gigurtu, resigned on 668
4 September and Carol summoned General Antonescu, 643
who was at the time imprisoned in Bistrita,
and charged him with the formation of a new government.
This step was all the more remarkable as the
German Minister at Bucarest had been able to
communicate with Antonescu while he was in
prison. Antonescu at once demanded Carol's abdication
and obtained it after two days' continuous
and heated discussions and negotiations. On
6 September Carol, accompanied by his mistress
Mme Lupescu and his aide Udureanu, left Rumania.
His son Michael succeeded for the second
time to the unstable throne.

Carol's abdication was due to many different 643
factors. The occupation of Bessarabia by the Red 668
Army and the acceptance of the Vienna Award 648
showed how brittle and hollow was his widespread
kingdom. Everybody knew how great the king's
share in the weakening of the country had been. The
ten years of his reign had led to disastrous consequences.
The will of the people, voiced for the
first time for many years, had a decisive influence
on the events leading to the abdication. Another
important factor was Hitler's distrust for a man
whose country he intended to take under complete
domination. The king's renunciation of the British
Guarantee was unable to win him Germany's confidence.
Since Carol assumed the throne in 1930

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

643 he had played off one political party against the
668 other in order to strengthen his position. In foreign
politics he followed the same tactics. He ended by
648 completely isolating Rumania internationally and
undermining her internally.

It may be said in extenuation of his inglorious behaviour, that the dismemberment of Greater Rumania was inevitable, once the whole balance of power had shifted against the Western Allies, whose settlement had created it. But it is at least equally tenable that a democratic and united Rumania, which had succeeded in winning the loyalty of any considerable elements among its minorities, might have held out against the cession of territory to Hungary, by obliging the Hungarians and Germans to use force to effect it at a time when Hitler was anxious to avoid war in the Danubian area. This might have rallied Rumania with Yugoslavia and Greece, who showed a more heroic spirit, to the Allies' camp. In fact, the king's policy only aggravated the internal situation and sharpened the conflict of parties.

642 **RUMANIA GOES TO WAR.** General I. Antonescu,
having obtained Carol's abdication,[1] pronounced
661 himself 'Conducator', that is, 'Leader', and pro-
claimed the creation of the 'Legionary State'. His government was composed of generals, leaders of the Iron Guard and civil servants. Codreanu's successor, Horia Sima, became vice-premier and at once organized an unprecedented regime of terror throughout the whole of Rumania. His henchmen assassinated numerous prominent opponents of the Iron Guard. The looting of shops and the beating

[1] [Sept 6, 1940-- Analyst]

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

up of Jews became the favourite occupation of the 661
legionaries. The resulting confusion helped many 642
minor officials as well as influential business men in
acquiring valuable property.

But it soon became obvious that the real masters 648
of Rumania were the Germans. In October 1940 642
Antonescu invited German troops into the country
as instructors for the Rumanian Army. German 649
trade delegations began organizing Rumania's economy
and German specialists were appointed to
important positions in various ministries. Although Antonescu had included the Iron Guard in his government, the struggle for power between him and Horia Sima continued. In January 1941 the Iron Guard, supporting the latter, made a last bid. The legionaries rose in revolt and succeeded in gaining several strong positions in Bucarest and in some provincial towns. The army, however, sided with Antonescu, who was also aided by the Germans, and within a short time the 'Conducator' emerged as victor. He at once proceeded to the establishment of a completely military administration and based his whole regime on the army.

His[1] success in the fight against the Iron Guard 721
was influenced decisively by the German desire to
create a stable Rumanian government which would
join in the attack on the Soviet Union. Antonescu
did not fail his German masters. On 22 June 1941
Rumanian troops, together with German divisions,
crossed the Soviet frontier. Thanks to German 721
support, Bessarabia and the Northern Bukovina 727
were re-occupied within a short time. Both provinces
were put under a military administration and
ruled quite separately from the rest of Rumania.

[1] [i.e.: Antonescu -- Analyst]

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

648 Both the political and the economic life of

241 Rumania was subject to complete German domination. The agriculture of the country had to supply the German and Rumanian armies in the field. The area of arable land was feverishly enlarged so as to provide more food. This met with considerable success. In 1941 the country produced almost as much wheat as the whole of Greater Rumania in 1935. Exports almost reached the pre-1940 level.[1] By 1943 the area under wheat had been increased to 3,000,000 hectares and that under maize to 4,000,000 hectares. Even more important is the extension of the land used for the growing of rape seeds[2] and of oil-bearing plants.[2] Rumanian agriculture served a double purpose: the provision of food for the Rumanian and German armies and the supply of Germany's war industry with valuable raw material. The introduction of the soya bean into Rumania, the delivery of thousands of iron ploughs, tractors and other agricultural machinery from Germany only served to further this aim. Exploitation of the peasantry was the immediate consequence; but, if the ploughs and machinery remain when the Germans have gone, Rumanian agriculture is bound to benefit.

433 OIL AND INDUSTRY. The output of the chemical, textile and heavy industries were increased considerably. Consumer goods, however, are scarce and very expensive. The yearly production of oil has not

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[439] [1] Export of wheat in 1940, 379,000 tons; in 1941, 2,500 tons; export of maize in 1940, 564,000 tons; in 1941, 117,000 tons. Both have since risen.

[2] 1942: 350,000 hectares grew rape seeds and 600,000 hectares oil-bearing seeds.

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

511 the economic position of the rural population
435 appears to be lamentable.

● 648 **THE POLITICAL SCENE.** Both the internal and external
722 policies of Rumania have been shaped by events on
the battle fronts, and more particularly by the war on the Eastern front. The fact that Rumania is fighting side by side with Nazi Germany against the Soviet Union has had effects upon the national life of which the consequences are inescapable. The artificial stimulation of public opinion against the U.S.S.R., intended to galvanize the people into a fervent nationalism and unreserved support for Antonescu, proved no small embarrassment to him when the tide of battle turned so catastrophically against his Allies. Further, Rumania's position is also anomalous in the extreme. The severest blow which the country suffered during the past decades was the loss of two-fifths of Transylvania to Hungary.[1] Yet Rumania has been fighting in alliance with Hungary against the Soviet Union. At the same time friction between Hungary and Rumania has been one of the gravest problems in the

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511 credits the farmers are unable to meet their most urgent
435 obligations and, if no solution is found, an agrarian
crisis is imminent which must influence the whole national economy.' A Bucarest paper stated in January 1944: '. . . there are two million farms without milk cows, 160,000 without hogs and 200,000 without even a single chicken. Unfortunately the Ministry of Agriculture with only two and a half per cent of the budget can do little to alleviate the peasants' lot.'

[1] The Czechoslovak President, Dr Benes, stated in London in March 1944 that the Soviet Union would insist on the return of the territories which Hungary stole from her neighbours, including Transylvania.

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

Axis camp. Clashes between armed Rumanians and Hungarians have been very frequent, and the Press of both countries has kept up an unabating series of violent accusations. 722 148

The swift advance of the Red Army during the great winter offensive of 1943–4 had by the end of March brought Soviet troops well into Rumanian territory. Hastily-made arrangements for the evacuation of the Rumanian-administered province of 'Transdnistria', actually part of the Ukraine, and of the Bukovina and Bessarabia, in all of which an intensive policy of Rumanization during the past few years had failed to bear fruit, were thereby thrown into complete confusion. 722

The position of the Rumanian government at the time of writing can only be a matter of speculation. The old political parties have failed to provide an effective opposition to the dictatorship of Antonescu, though Maniu and Bratianu have indeed addressed several notes of protest to the 'Conducator'. The strength of the Rumanian underground movement is difficult to assess. There have been several clashes with the Germans,[1] some sabotage and lately also partisan activities.[2] Clandestine organizations

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[1] Of the 500,000 Germans in the present reduced Rumania, over 42,000 have joined the Nazi S.S. divisions. Germans from the Banat and Transylvania make up the greater part of the S.S. division *Prinz Eugen*, which has been fighting against Tito's Army of Liberation in Yugoslavia for some time.

[2] There are also reports of stronger activity by the Communist Party of Rumania of which several members have been arrested. It is said that opponents of the Antonescu regime, of various party allegiances, have succeeded in forming the beginnings of a united 'national liberation movement,' of which the title suggests Communist leadership.

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

722 amongst railway workers and in the industrial areas around Brasov, Ploesti and Bucarest have lately gained some influence.

648 **RUMANIA AND THE WESTERN ALLIES.** The American air attacks on the oil district of Ploesti first made the Rumanians realize that the war was drawing near them. The capitulation of Fascist Italy was the second blow. But the decisive and all-important factor was, and remains, the advance of the Soviet troops. The last hope of the present government and its supporters lay in a conflict between the Western Powers and the U.S.S.R. They have frequently protested that they do not consider Rumania to be really at war with Britain and the United States. Therefore, the decisions of the Moscow and Teheran Conferences were regarded by them as blows directed against their very existence. Subsequent Press statements, however, show that they still hoped to gain the sympathy of Britain and America; and the journey of Prince Stirbey to Turkey and Egypt in March 1944 could have no other explanation. (This gentleman owns most of the land around Ploesti.) Recently a prominent Rumanian journalist wrote that the country's present position is similar to the pre-revolutionary era of 1917. Then, he said, the worst was averted by granting certain concessions to the people, and he went on to demand that a similar step be taken now for the same purpose. Unwittingly, this Rumanian propagandist has truly summed up the position of his class. It is prepared to do anything to keep its privileges and its powers. Its representatives will side with whoever assures them of the continuance of their rule. As

12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

will be seen from the Appendix,[1] M. Molotov, in a speech made on 2 April 1944, professed the intention of the Soviet Government to leave the existing social structure of Rumania unaltered. But Marshall Stalin's Order of the Day of 30 April contained an appeal to the people of Rumania, as of Hitler's other Allies, to revolt. 648

[1] [See pp. 117-120 --Analyst]

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

p. 112

CONCLUSION

175 648 This short survey of the different phases of the long and unhappy history of Rumania and the Rumanians discloses a number of factors which, in one form or another and with varying intensity and effect, have decisively contributed to the damaging result of events both upon the land and upon the people. The Rumanians and their country, more than many other nations and States, have on the whole been rather the passive object than an active subject of history.

This involuntary passivity characterized the very emergence of the Rumanian nation and has not yet been overcome. The first attempts to form the basis of a national existence were frustrated, and postponed for many centuries~~, owing to the~~ invasion of Europe by the Magyars. When the principalities of Moldavia and Wallachia were eventually created in the thirteenth and fourteenth centuries, the emergence of these two primitive States was chiefly due to the pressure of the Hungarians in Transylvania; it was made possible owing to the decay of the Slavonic States south and west of the Danube. Moldavia and Wallachia during the subsequent centuries were the battle-grounds of Great Powers or were exploited as colonies. The nineteenth century saw the rise of Rumanian nationalism with the aim of the union of all Rumanians in one State. This aspiration was warped and misused by rival empires in order to strengthen their position in South-Eastern Europe. When this union became a reality after the First World War, it was achieved not so

much by the Rumanian people as by the intervention 175
of Rumanian and foreign statesmen, whose interests 648
did not coincide with those of the majority of Rumanians. The history of Rumania during the period between the two Great Wars and during the present war is another and more vivid illustration of this passivity of a people, caught in the titanic struggle between Great Powers.

The economic and political effects of this development can be seen in the exploitation to which the people have been subjected for centuries, chiefly by foreign merchants and trusts, aided and abetted by a greedy and corrupt ruling class, and in the almost suicidal situation into which the nation has been manœuvred in recent times by its short-sighted leaders.

Psychologically, many centuries of political op- 181
pression and of economic exploitation have had an even more serious effect in the attitude of many sections of the people to life in general and to their own fate in particular. Generations of Rumanians have been methodically robbed of the fruits of their work for centuries. Their fate was not greatly affected by superficial changes, such as their elevation from serfs to peasants. This explains that they are reluctant to produce more food than they themselves can eat; for it is certain that the money-lender, the tax-collector, their own or some foreign army will take it from them. This fatalism, and the ignorance which their rulers have shown no great enthusiasm to remedy, explain the backwardness of the great masses of the people. But it would be quite wrong to assume that this implies an exhaustion of their latent powers. The Rumanians have often

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

class over the countryside. The union of all Rumanians in one State was a long-cherished dream. 669 182
Its realization was only partly due to the actions of the people; Greater Rumania was the result of the greediness of the country's rulers, supported by the anti-Soviet policy of many countries. It carried the seed of its own destruction; and, when disruption came and the popular forces rose to assert their will in 1940, they were again defeated. In place of the royal dictatorship came the dictatorship of Rumanian and German Fascism: in place of partial economic domination by the west came complete domination by Germany.

One of the greatest barriers to the progress and 648
well-being of Rumania and the Rumanians has been the fact that the geographical position and the wealth of the country have made it the victim of the ambitions of Great Powers. Rumanian governments have sided more often than not with the national enemies of their people and have at best tried to play off one of their foreign protectors against the other.

Yet it is exactly the geographical position and the 000
great wealth of Rumania, combined with the hardiness and strength of its inhabitants, which hold out the promise of a happier future. The material and human resources for such a development are abundant. What is necessary is the liberation of these material and human forces under disinterested leadership. If that happens, if the unlucky chain of unsuccessful revolutions is broken; if these forces conquer those of their corrupt rulers, and the unhealthy social system of exploitation and oppression is replaced by the government of the people for the

p 117

APPENDIX

STATEMENTS OF THE UNITED NATIONS WITH REGARD TO RUMANIA

I

On 2 April 1944, Mr Molotov, the Soviet Foreign Commissar, addressing representatives of the Press, announced that the Red Army had crossed the river Pruth at various places and had entered Rumania. 648

In his statement, which was later broadcast from Moscow, Mr Molotov declared:

'The Red Army, as a result of a successful offensive, has reached the river Pruth, which is the State frontier between the U.S.S.R. and Rumania. Thus the full re-establishment of the Soviet State frontier as fixed in 1940, in accordance with the agreement between Soviet Russia and Rumania, has been begun.

'This agreement had been treacherously violated by the Rumanian Government in alliance with Hitlerite Germany.

'At the present time the Red Army is carrying out the clearance of Soviet soil of all the enemy still there, and the time when the entire Soviet frontier with Rumania will be completely restored is not far off.

'The Soviet Government hereby declares that the advancing units of the Red Army, pursuing the German armies and their allied Rumanian troops

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12: Kormos S-4, 5 (no date) 1944

ED1 Rumania ED1

648 have crossed the river Pruth in several sectors and have entered Rumanian territory.

'The Supreme Command of the Red Army has given orders to the advancing Soviet troops to pursue the enemy until his final rout and capitulation.

'At the same time the Soviet Government declares that it does not pursue the aim of acquiring any part of Rumanian territory, or of altering the social structure of Rumania as it exists at present.

'The entry of Soviet troops into the boundaries of Rumania is dictated exclusively by military necessities, and the continuing resistance of enemy troops.'

II

In a May Day Order of the Day to the Soviet fighting forces and the nation Marshal Stalin declared on 30 April 1944:

'...Under the blows of the Red Army the *bloc* of Fascist Powers is breaking and falling to pieces. Fear and confusion reign among the Rumanian, Hungarian, Finnish and Bulgarian "allies" of Hitler. These henchmen of Hitler, whose countries have been or are being occupied by the Germans, cannot fail to see that Germany has lost the war.

'Rumania, Hungary, Finland and Bulgaria have only one chance left to them to escape catastrophe—to break with Germany and withdraw from the war. But it is hardly to be expected that the present Governments of these countries are capable of breaking with Germany. It is to be supposed that the people of these countries will have to cope themselves with the task of their liberation from

12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

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the German yoke. The sooner the people of these countries realize the *impasse* into which they have been driven by the Germans the sooner they will stop all assistance to their German oppressors and to their henchmen quislings in their own countries. The more they do themselves, the more they can count on the understanding of democratic countries....'

III

The Governments of the United Kingdom, the U.S.S.R. and the United States issued the following declaration on 12 May 1944:

'Through the fatal policy of their leaders, the people of Hungary are suffering the humiliation of German occupation. Rumania is still bound to the Nazis in a war now bringing devastation to its own people. The Governments of Bulgaria and Finland have placed their countries in the service of Germany and remain in the war at Germany's side.

'The Governments of Great Britain, the Soviet Union and the United States think it right that these people should realize the following facts:

(1) The Axis satellites, Hungary, Rumania, Bulgaria and Finland, despite their realization of the inevitability of a crushing Nazi defeat and their desire to get out of the war, are by their present policies and attitudes contributing materially to the strength of the German war machine.

(2) These nations still have it within their power, by withdrawing from the war and ceasing their collaboration with Germany and by resisting the forces of Nazism by every possible means, to shorten the

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12: Kormos S-4, 5 (no date) 1944
ED1 Rumania ED1

648 European struggle, diminish their own ultimate sacrifices, and contribute to the allied victory.

(3) While these nations cannot escape their responsibility for having participated in the war at the side of Nazi Germany, the longer they continue at war in collaboration with Germany the more disastrous will be the terms which will be imposed upon them.

(4) These nations must therefore decide now, while yet there is time for them to contribute to the inevitable allied victory, whether they intend to persist in their present hopeless and calamitous policy of opposing that victory.'

18: Great Britain G-4 (no date) 1943

ED1 Rumania ED1

RUMANIA AS A GERMAN ALLY

648 433 To Germany Rumania has been an invaluable if expensive ally—invaluable mainly for her oil production, which accounts for one-third of total Axis supplies; expensive because, in order to exploit the country's usefulness to the full, it has been necessary to provide goods, such as oil-well equipment, agricultural machinery, machine tools, etc., all of which she can ill spare on account of the need for them both in her own country and for supply to her other satellites. To ensure smooth working of the oil-well region German troops have been established in the Ploesti district. Apart fom oil German expectations have come to very little in Rumania—her demands for cereals, soya beans, sunflower-seed, etc., have not been fulfilled due to bad harvests, labour shortage and peasant hoarding, and livestock deliveries have been affected by fodder shortage and illegal slaughterings.

As to further German demands on Rumanian economy, the most outstanding were for man-power in the form of troops for the Eastern front, and the use of the country for transit of troops and war materials to the battle zones. Both these facilities have been of considerable material value to the enemy, though in order to make use of Rumanian troops Germany has had to provide the bulk of the equipment, as Rumanian industry is not adequate to supply more than the barest minimum; and even where she has the available facilities, raw materials are lacking.

[489] To exploit the country successfully from the transport angle it has been necessary to set up a control organisation to direct transit traffic, and, in addition, to supply and repair locomotives and rolling stock.

GERMAN PENETRATION

648 439 For a great many years, Germany has been the natural supplier of engineering and consumption goods which Rumania was unable to produce for herself, and has provided a ready market for her surplus agricultural produce. Following the coming into power of the Nazi Government, Germany succeeded in acquiring Rumanian trade to an increasing extent at the expense of other countries. With the outbreak of war, Rumania has become even more dependent on Germany as a supplier of manufactured goods in general, and iron and steel products in particular.

[46]

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In 1940 an economic agreement was signed between the two countries, by which in exchange for raw materials a ten-year plan for the development of Rumanian economy was formed. Germany agreed to the following main conditions:—

(1) The granting of extensive long-term credits.

(2) The supply of tools and machines for agricultural development.

(3) The provision of technical and financial aid for industry.

(4) The provision of extensive supplies for the development of the transport system.

(5) To put technical experts at Rumania's disposal.

(6) To make capital available for the development of industry and the banking system.

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Germany has exploited Rumania's dependence on her to the full by providing the minimum of goods, so that she owes her an ever-increasing sum in the clearing. German financial interests have gained tremendous impetus since the removal of British and American competition, together with the acquisition of the actual interests of occupied countries, such as France, Holland, and Czechoslovakia. To cite the most important example, in the oil industry German capital has increased from 0.5 per cent. of total investments in 1939 to about 38 per cent. in 1942, while in the heavy industry the Hermann Goeringwerke have achieved a footing in the main engineering firms of Reşiţa and Malaxa, as well as in the aircraft industry and in the shipbuilding yards at Galaţi. The motor-vehicle assembly industry is almost entirely in the hands of the German companies, and German capital is to be found in the banks, in the timber and textile industries, in a number of transport and trading companies, and behind the attempted expansion of the mineral resources.

ITALIAN PENETRATION

There is also some considerable Italian financial penetration in Rumanian industry, though on nothing like the same scale as German; it is mainly confined to the oil, building, timber and textile industries and to various cereal export companies.

[4c]

315 Two additional pipelines, each of 10 in. diameter, constructed largely of material removed from France, have been built between Ploești and Giurgiu, each with a capacity of over three quarters of a million tons a year.

New refinery and drilling equipment, which prior to the war Rumania used to import largely from the United States, has now to be obtained from Germany. The financial terms on which this equipment is obtained are unfavourable to Rumania and deliveries are slow.

2. German Influence on the Oil Industry

315 648 473 German pressure upon Rumania to obtain greater supplies of oil has been largely exerted by means of commercial penetration into the oil industry, but there is evidence that Nazi diplomats have laid particular emphasis on the German need for oil, suggesting that larger supplies might be available if production was increased and internal consumption reduced.

German penetration into the Rumanian oil industry began to take aggressive form some time before the war. The Germans first acquired a minority holding in Creditul Minier, then in 1939 secured control of Petrol-Block. The collapse of France afforded further opportunities of encroachment, and through Kontinental Oel A.G. control of Concordia and Colombia was secured; similarly, by assuming arbitrary control of Dutch interests the Germans now direct the policy of Astra-Română, the largest of the producing companies. In all, German influence through financial control now extends to about 50 per cent. of the industry, and 60 per cent. of productive capacity, quite apart from the pressure the Germans can exert through control of transport out of the country. The actual effect of this influence is not easily assessed, modified as it is by Rumania's nationalistic oil legislation—particular privileges are reserved under the new mining laws for companies which can show that 75 per cent. of their capital is in Rumanian hands—and the instinctive aversion of the Government to outside control. It is, however, sufficient to ensure that German requirements have a definite priority, and nationalistic as some parts of the new mining law may be, any measures serving to increase immediate production, under whatever pretext they are taken, are beneficial to Germany's interests. Tables I and II on pages 15 and 16 show the approximate strength of the oil groups by nationalities in 1940 and 1942.[1]

3. War-time Restrictions

315 135 Nearly 70 per cent. of Rumanian petroleum consumption is represented by fuel oil, and a theoretical saving could be brought about by the use of coal and natural gas. Coal resources, however, are limited, and in any event a greatly increased use of coal is restricted also by the speed at which locomotives and power plants can be converted from oil to coal burning.

315 434 In November 1942 a petrol-rationing scheme was introduced, and although the allowances were on a liberal scale, the regulations do not appear to have been observed and the scheme as a whole was ineffective. In March 1943 this was admitted by the announcement that the scheme would be more strictly enforced and new ration cards issued. Simultaneously regulations were published concerning the use of taxis, and a time limit of September 1943 was set for the conversion of boiler plant.

In general, attempts to restrict consumption either by the announcement of new regulations

[1] [Cf. cat. 315, pp. 15c and 16a-Analyst]

505 439 trade is carried on the Danube to European markets, Germany in particular, and, with the exception of an exceedingly limited traffic with Turkey, and a few intermittent shipments of oil to enemy ports in the Aegean Sea, Rumania's foreign sea-borne trade has been brought virtually to a standstill.

In addition to traffic in the Black Sea with U.S.S.R., Bulgarian and Turkish ports, Rumania in pre-war days had important commercial relations with most European and other countries overseas, the trade routes being via the Dardanelles, Mediterranean, Suez Canal and the Straits of Gibraltar.

2. Mercantile Marine

505 [652] All merchant-shipping activities are controlled by the Ministry of Air and Marine. Rumania's ocean-going mercantile marine in 1939 was constituted as follows :—

		G.R.T.
6	cargo and passenger motor vessels	27,061
16	cargo steamers	67,193
3	steam tankers	14,737
25	Total	108,991

[655] Of the 19 cargo steamers and tankers, 11 were oil-fired and 8 coal burners. Fourteen of these vessels were owned by the Rumanian State Maritime Service (*Serviciul Maritim Român*), the principal shipping company in Rumania, whilst the three tankers belonged to the Steaua Romana Petroleum Company of Bucarest. The remainder were privately owned.

[648] Consequent upon her entry into the war Rumania's mercantile marine came under Axis control and most of her vessels are trading for German and Italian account, partly in the Adriatic and Aegean, and partly in the Black Sea.

A statement of Rumania's estimated non-tanker merchant-shipping resources on the 30th April, 1943, follows :—

ESTIMATED RUMANIAN MERCANTILE MARINE RESOURCES (NON-TANKER) UNDER AXIS CONTROL IN THE MEDITERRANEAN AND BLACK SEA AT 30TH APRIL, 1943.

Tonnage Category	*No. of Vessels*	*Total G.R.T.*
100/499	3	578
500/999	—	—
1,000	2	2,708
2,000	2	4,986
3,000	3	10,170
4,000	—	—
5,000	2	11,395
6,000	3	20,220
Aggregate ..	15	50,147

[722] As to her tanker tonnage, two vessels aggregating 11,705 G.R.T. were seized and are now in Allied service, whilst the third, of 3,032 G.R.T., was sunk in December, 1941, in the Aegean Sea.

3. Ports

504 The chief ports for sea-going vessels are Constanța on the Black Sea and Brăila and Galați on the Danube, which both handle river shipping as well.

[42b]

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502 trained pilots is compulsory, while the barge tows have to be broken up into smaller units. This sector of the Danube cannot be negotiated at night, which constitutes an enormous hindrance for large-scale traffic. In order to speed up the traffic, the use of suspension railways and locomotives on rails laid along the river bank was introduced before the war, but the system has met with only moderate success.

[503] Navigation in the Maritime sector of the Danube is affected by silting up—particularly in the autumn—and constant dredging has to be carried out in the Sulina branch to maintain sufficient depth for passage of vessels up to Galaţi. The depth of this sector was 24 ft. in 1939, permitting the entry of vessels of medium draught only. Danube navigation is held up for varying periods between November and March by ice, averaging 30-50 days, and occasionally even for 90 days.

499 There are no permanent bridges on the Danube to connect Rumania with Bulgaria. However, a Rumanian-Bulgarian Commission was established in 1942 to remedy this deficiency by arranging for the construction of a bridge, which will take five years to complete, between Giurgiu and Ruse. In the meantime a ferry system is in use between Giurgiu and Ruse carrying important supplies of oil for the German forces in Greece.

3. River Ports

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504 There are in all some 38 river ports, of which the most important, all on the Danube (from west to east), are as follows:—

Moldova
Orşova
Turnu Severin
Giurgiu
Olteniţa
Brăila
Galaţi
Sulina

Since the war started considerable improvements have already been made on the Danube. This is of special significance for, though this waterway is of little use for Rumanian internal traffic, since the closing of the sea route between Rumania and North Germany, it has become vitally important for the carrying of bulky transport. As early as 1940 a scheme for the rationisation of Danube traffic was put into operation, and the installations of Giurgiu, the main Danube port for oil transport, were improved.

To avoid congestion at Giurgiu, the Danube ports of New Moldova and Orşova have been enlarged. Internal traffic has been diverted to Olteniţa, which is also used for the unloading of incoming traffic. The construction of new harbour installations is being carried out by a German-Rumania company.

4. Organisation of Inland Water Shipping

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[255] Rumanian Danube shipping is under State control, and organisation is carried out by firms which are partly State-owned and partly owned by private individuals. The most important company is the State-owned "N.F.R." (*Navigaţiunea Fluvială Română*), and of lesser importance are the privately owned companies "S.R.D." (*S.A.R. de Navigaţie pe Dunăre*) and "Sind" (*Societa Italiana di Navigazione Danubiana*).

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648 All Rumanian shipping companies are members of the Danube Shipping Pool, which is under German supervision, headed by the *Deutsche Donauschiffahrtsgruppe*, which is closely connected with the Hermann Goering-Werke für Binnenschiffahrt. The importance of the Danube Pool (exclusive of the Tanker Pool) will be realised when it is borne in mind that between 1932-1937 the freight carried annually by its vessels on the

505 648 Danube nearly doubled. The Rumanian river traffic is now in fact under German control, which is enforced through a number of official and semi-official bodies. German transport officers operating in the main river-ports are regulating all river shipping.

Working in close collaboration with the German railways and the *Frachtleitstelle Südost*, Berlin (the office which controls river and sea navigation) the Rumanian authorities are bound to the orders given by this office, which must immediately receive reports of any transport exceeding 1,000 tons between Rumania and other countries. Oil transports are excepted as these are handled centrally by a special body which collaborates with the Rumanian Railway Administration and with the Danube Shipping Agencies.

5. The Inland Fleet

505 At the beginning of 1940, the Rumanian inland fleet consisted of the following craft :—

Passenger boats ..	25	
Tug boats ..	127	
Cargo barges ..	553	with a capacity of 469,546 tons
Tankers	66	with a capacity of 41,603 tons

Accurate figures of the Rumanian tonnage park have not been published recently, but press reports at the end of 1942 stated that shipping under the Rumanian flag on the Danube carried only 28 per cent. of Rumania's Danube traffic.

III. Administration of the Danube

505 648 Before the war the administration of the Danube was in the hands of two Commissions, the C.I.D. (International Danube Commission) in charge of the Danube from Brăila to Ulm, a distance of 2,417 km. (1,500 miles), and the C.E.D. (European Danube Commission) in charge of the Danube delta—*i.e.* from Brăila to the Black Sea—a distance of 171 km. (106 miles). Both these Commissions were established by the Treaty of Paris as long ago as 1856.

[728] After the 1914-18 war, the two Commissions were reconstituted under the Treaty of Versailles, and the constitution, powers and functions of each laid down in Articles 331-339 and 346-353 of that Treaty.

C.I.D. (International Danube Commission)

Under the Treaty of Versailles this Commission was composed of the following riparian States :—

2 members from Bavaria and Württemberg.

1 each from Austria, Czechoslovakia, Hungary, Yugoslavia, Rumania and Bulgaria.

In addition, the three non-riparian members of the C.E.D., viz., Great Britain, France and Italy, were each allocated one representative.

This Commission was only a provisional one, intended to function pending the creation of a permanent régime. This was accomplished in July, 1921, and under the Statute of the 23rd July of that year, the Powers having representation were identical with those prescribed by the Versailles Treaty.

Article 1 of the Statute provides that the Danube from Ulm to the Black Sea must be free and open to all flags without any discrimination whatsoever. The functions and powers of the C.I.D. are laid down in Articles 9-42, and are concerned with the drawing up of programmes of improved works, the levying of customs dues, police regulations and the control of revenues resulting from customs and navigation dues.

[45a]

505 648 [651] It is a cardinal principle of the Statute that the customs dues levied on goods must not be higher than the duties levied at frontier stations of the country concerned. The cost of improvements was to be met by navigation dues, these being assessed on the tonnage of ships, and not based on the goods transported.

Bratislava was fixed as the Headquarters for the Commission for the first five years, and it was laid down that thereafter, for five-year periods, other Danube towns were to be selected in rotation.

Since the outbreak of this war, Germany has virtually controlled the Danube, has abolished the C.I.D., and set up the "Consulting Committee for Danube Affairs above Brăila."

C.E.D. (European Danube Commission)

[503] This Commission was constituted under the Treaty of Paris in 1856 with Austria, France, Great Britain, Prussia, Russia, Sardinia and Turkey as members, for the express purpose of dredging the mouths of the Danube below Isaccea, and leaving the various channels free from all obstructions to navigation. It was apparently expected that this preliminary task would take two years, and the life of the Commission was originally fixed for that period; but, by a series of later treaties, it was kept in being up to the outbreak of the Great War.

In 1918 the Central Powers set up their own Danube Commission, membership naturally being restricted to those Powers and their allies.

By the Treaty of Versailles the European Commission was reconstituted with Great Britain, France, Italy and Rumania as provisional members; and by the Convention of July 21st, 1921, was placed on a more permanent basis. The provisional membership of the four countries was confirmed and all the powers of the original Commission restored. A proviso added that any nation whose commercial interests in that part of the river warranted their being represented on the Commission could be admitted. In fact, no country was admitted under this proviso until the inclusion of Germany in August, 1938.

In August, 1938, an arrangement was signed at Sinaia relative to the exercise of the Powers of the C.E.D. In effect the Powers of the Commission were transferred to the Rumanian Government who were to set up a "Maritime Danube Board." This board, under Article 5, was "to be responsible for the preparation and execution of plans for works on the maritime Danube and at the mouths for levying dues and dispensing of the yield thereof."

In September, 1940, Germany summoned a conference at Vienna for the purpose of regulating Danube shipping anew, and eliminating Great Britain and France from membership of the Commission.

[113] [For further information see *La Commission Européenne du Danube et son Œuvre de 1856 à 1931* (Paris 1931); Treaty of Versailles, Articles 331-339, 346-353; Treaty Series No. 38 (1939) Cmd. 6068, and Treaty Series 38 (1939), Cmd. 6069.]

E. TELECOMMUNICATIONS

I. Pre-War Situation

1. Telegraph and Telephones

206 The telegraph system of Rumania was controlled by the Ministry of Communications, the telephone by the Societatea Română de Telefoane, a subsidiary of the International Telephone and

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1941, subscriptions were made compulsorily, and in 1942 a Reintegration Tax was levied on all persons who failed to subscribe the amounts allotted to them. In spite of all this the loan had only raised some 18 milliard lei by September, 1942.

A further attempt to borrow from the public was made at the end of 1942, when the Minister of Finance was authorised to issue short term 4 per cent. Treasury Bills to a value not exceeding 10 milliard lei. As with the long term loan, interest from this loan was free from taxation.

In spite of these measures, however, considerable amounts have had to be borrowed direct from the National Bank—partly on account of extra-budgetary credits for non-military purposes, but more especially to finance the war with Russia which—at the beginning at least—was done entirely outside the budget.

In June 1941 when miscellaneous advances to the Government already amounted to 10 milliard lei, the National Bank was authorised to derogate from the provisions of its statutes and to advance any amounts necessary to cover exceptional needs. In this way a further 12 milliard lei credit on this account was put at the disposal of the Government to finance the Russian war. This credit was, however, exhausted by January 1942, but the National Bank's miscellaneous advances continued to rise, reaching nearly 30 milliard lei by June 1942. After June 1942, borrowing on this account fell considerably, only to rise at the end of the year and the beginning of 1943.

4. External Position of the Leu

652 Rumania is still officially on the gold standard, the parity of the leu having been fixed in 1929 at 1 leu=0.009 g. fine gold or 111.111 lei per kg. gold.

This parity has, however, no practical significance, since from 1935 onwards it has been the practice to pay premiums for gold over and above the official price. In order to encourage domestic production of gold additional premiums are paid to domestic gold producers, so that the effective internal price of gold varies, according to the productivity of the mine, from 400,300 lei to 867,500 lei per kg. fine gold. (*See* also section on gold, page 23.) Official dealing in "hard" currencies, too, is done not at parity but at parity plus a premium. From December 1935 to February 1940, the premiums were fixed at 38 per cent., from March 1940 to March 1941 at 107 per cent., and after the latter date at 90 per cent.

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The last reduction of premiums from 107 per cent. to 90 per cent. was made under German pressure, on the grounds that the RM., on which no premium was paid, was undervalued in relation to "hard" currencies. And at the same time as the effective rates for such currencies were lowered (in the case of the $ from 211.65—217.97 to 187.60—196 lei per $); the RM. rate was raised from 50 lei=1 RM. to 60 lei=1 RM., at which level it has since remained.

5. Prices and Price Control

435 As a result of the world depression there was a severe fall in prices during the early 1930's. Both wholesale prices and the cost of living reached their lowest level in the years 1933 and 1934. In the following years there was a gradual recovery, which became increasingly marked after 1939.

The retail price index has increased during the war as follows :—

August, 1939	100.
January, 1940	116.6.

[52 a]

652 453 This was largely due to the advances of the National Bank both to exporters with claims on the Rumanian-German clearing, and for the maintenance of German troops stationed in the country (see below).

Among the fairly numerous other State or State-controlled banks, two of the most important are the Central Savings Bank and the National Institute for Industrial Credit. This latter was founded in 1923, but its size and scope have been greatly extended since the outbreak of war, and it is now entrusted with the so-called "Rumanisation" of industry.

2. Commercial Banks

453 There are six important commercial banks in Rumania—viz., Banca Românească, Banca de Credit Român, Banca Commercială Română, Societatea Bancara Română, Banca Commerciala Italiana şi Română, Banca Chrissoveloni—and a fairly large number of other smaller banks. In the big banks there were considerable French, German, Italian and, to a lesser extent, British interests.

The position of the banks was very seriously affected by the collapse of the Österreichische Creditanstalt in 1931.

Between 1930 and 1934 current account deposits in commercial banks fell from 18·2 milliard lei to 7·9 milliard lei and time deposits from 35·1 milliard lei to 10·4 milliard lei, representing a 64 per cent. fall in total deposits. In subsequent years there was a recovery and now inflation contributes a large share to the further increase in deposits. Deposits in commercial banks with a capital of more than 60 milliard lei rose from 10·6 milliard lei at the end of 1934 to 28·8 milliard lei in August, 1942.

In May 1934 a law was passed affecting domestic and foreign banks operating in the country. According to this law a Supreme Banking Council was set up to supervise all banks; minimum capital was fixed according to the locality in which the bank operated; rates of interest were fixed, and conditions of liquidity laid down. This law is still in operation, but certain of its provisions have been relaxed since the outbreak of war—the first time in February 1942, and a second time early in 1943. The alterations principally concerned the proportions of deposits to capital—in each case the maximum limit for deposits being increased.

As a result of the activities of the Supreme Banking Council a large number of small banks has ceased to operate and the banking system in general has been put on a much sounder footing.

3. German Infiltration and Financial Exploitation

453 648 Apart from penetration into other branches of industry, there has been a considerable amount of buying up of shares by Germans in Rumanian banks and insurance companies. Already before the war the Societatea Bancara Romana was controlled by the Dresdner Bank, while the Commerzbank and the Deutsche Bank had a minority holding in the Banca Commercială Română. This latter holding was increased in 1941 to 90 per cent., and in the same year the *Reichskreditgesellschaft* acquired a minority holding in the Banca de Credit Român, and the Berliner Handelgesellschaft in the Banca Chrissoveloni. In 1942 the Bank der Deutschen Arbeit acquired a holding in the Bukarester Handelsbank. Thus, since the Banca Commerciala Italiana şi Romana is a subsidiary of the Banca Commerciala Milan, five out of the six important banks are to a greater or lesser extent Axis-controlled. In addition there are

453 certain fairly important *Volksdeutsche* saving banks operating in Rumania.

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648 In the case of insurance, too, German companies had considerable interests in Rumanian companies even before the war. These interests have been greatly increased, the most important acquisitions being a majority holding in the Dorna Vatra company acquired by Jauch und Hübener in 1941, a similar holding in the "Franco-Romana" taken over from French hands by the Nordstern Versicherungs A.G. in the same year, and a holding taken over from French hands by a Viennese company in the "Naţionala" General Insurance Company—also in 1941.

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722 Though the great increases in budgetary expenditure since 1939 can be attributed indirectly to Germany, the chief instruments of German financial exploitation have taken the form of advances from the Rumanian National Bank for the maintenance of German troops in the country, and for the clearing (i.e. forcing the Rumanian National Bank to make advances to Rumanian exporters whose exports were not balanced by corresponding imports from Germany).

4. Advances for Maintenance of German Troops

It was originally agreed that 1 milliard lei per month should be advanced—against an equivalent RM. credit in Berlin—to the German troops in Rumania. In fact, however, the Germans drew sums in excess of this amount, and continued to do so even after the majority of troops had left the country.

In October 1941, therefore, the National Bank refused to grant any further advances of lei for the use of the German troops. The Germans, however, brought pressure to bear by refusing to honour Rumanian invoices for goods they had received, and by borrowing from the banks through the medium of the firms which they controlled. The situation appears to have remained unchanged until January 1942, when it seems that a new agreement was reached, the National Bank once again undertaking to advance a fixed monthly sum, and in addition to make up arrears in payment. It is reported that towards the end of 1942 the National Bank had advanced some 40 milliard lei on this account.

5. The German-Rumanian Clearing

In addition to this German debt there is a further one of probably at least equal magnitude which has accrued in the clearing.

Precise figures of the actual German clearing debt to Rumania are not available and estimates vary very greatly. The amount of the debt at the end of 1942 has been variously reported at anything between 30 milliard and 100 milliard lei.

It is, therefore, reasonable to assume a minimum clearing debt at the end of 1942 of 30 milliard lei, and a minimum total debt (clearing and advances in the National Bank to the German military authorities) of 70 milliard lei—or approximately £117,000,000.

It is, however, quite possible that there is some justification for the German claim to the effect that clearing and similar debts are not wholy indicative of German commercial practices, inasmuch as certain German exports are made against long-term credits which do not enter into the clearing until several years have elapsed. In the case of Rumania, Germany is known to have granted in recent years two credits of RM. 600 million each (36 milliard lei), but it is not known to what extent actual production for the German export market made it possible for Rumanian importers to utilise these facilities.

[53b]

B. LABOUR POSITION DURING THE WAR

1. Military Conscription

701 The age limits for mobilisation are 19-50, while youths from 17-18 are liable for pre-military training.

During 1942 there have been several indications of the strain which further mobilisation was putting on Rumania's manpower; for example, in April 1942 the sentences on political prisoners were suspended and they were called into the army, while from July of that year onwards there has been a constant revision of previous exemptions and a tightening of control over the granting of leave and call-up. Military service, which previously had been obligatory for Rumanian citizens only, was made compulsory for all non-nationals* resident in the country, and further a decree was passed mobilising all Rumanians of military age resident abroad. [563]

It is calculated that it has never been possible for Rumania to have more than 800,000 men properly equipped under arms at one period. The actual strength of the army has fluctuated considerably during the last two years, as has the number on the eastern front, but a reasonable average figure would be 500,000, of which 200,000 on the eastern front.

727 464 Rumanian casualties are difficult to assess. One estimate at the end of 1941 put casualties at 150,000, while total casualties up to May 1943 have been estimated at 350,000. Military mobilisation will probably have meant a loss of some 600,000 men to the general labour supply.

2. Recruitment for Germany

464 167 The recruitment of workers for Germany has been on a small scale, which is not surprising, as Rumania's military contribution has been considerable, and the military mobilisation has already reduced the supply of labour needed for the Rumanian armament industry to a minimum. Such labour as might be available for export is unskilled and therefore of less value to Germany. The total number of Rumanian workers in Germany in December, 1942, was estimated at 14,000. Of these 10,000 were young Rumanians 18-19, who were recruited at the end of 1942 to be "trained" in German metallurgical factories, 1,000 are women employed as domestic servants, and the rest are mainly unskilled general workers.

3. Foreign Workers in Rumania

● 648 463 In addition to the German administrators and directors, who are in certain of the key positions in Rumanian industry, there is also evidence of skilled German technicians in Rumanian armament factories. In 1942 there was a nucleus of the German Todt organisation, and Italian builders, in the country.

727 About ~~40,000 Russian prisoners~~ of war are employed, chiefly in agriculture, though also in mining and navvying work.

C. GENERAL LABOUR DEVELOPMENTS

464 722 In 1937 the average unemployment figure was 12,000. The dislocation of trade and industry on the outbreak of war temporarily caused a general increase of unemployment, which was rapidly absorbed by the military call-up and increased activity in the armaments industry. In March

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* The German minority was already liable for military service, either in the Rumanian or German army and in December, 1942, it was announced that there were 30,000 *Volksdeutsche* in the Rumanian Army.

[55a]

6: Shuster S-4 (no date) 1954 El Europe

Bulgaria EE1
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697 There is an austere puritanical fanaticism about the regula-
466 tions which is difficult for an American, inured to doing what
he pleases, to comprehend.

Virtually all potential foes of the Communist regime in Bulgaria have been sent to such camps, which means that any person who deviates in the slightest degree from the established Communist norm invites the public prosecutor to get on with incarcerating him. It is difficult to believe that the system is as far-flung and well established as it is; but the Communist authorities themselves have made available a substantial amount
762] of information on its extent. There are at least thirty slave-labor camps in Bulgaria, and it has been estimated that at least 500,000 persons have been confined in them during the seven years of Communist rule. Among the inmates have been whole families—men, women, and children. Before we condemn the Bulgarian Churches for cowardly behavior it may be well to ask what we ourselves might have done in the circumstances.

II

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● 648 Rumania was not fully subordinated to the Communist
642 Party until the close of 1947. On the eve of the invasion of the
269] country, which had been the only one to lend full support to
the Nazi cause, young King Michael overthrew the Iron Front government and its strong man, General Antonescu, by a *coup d'état*. The new Government, in which a general also served as Premier, accepted the terms of armistice. Nevertheless by March 6, 1945, the Communists were unmistakably in control, although a fellow traveler, Dr. Petru Groza, was selected to head a government in which they had the upper hand. At the Potsdam Conference the United States, Great Britain, and Russia agreed to sign a treaty of peace with Rumania as soon as a government should be formed which was "broadly repre-

6: Shuster S-4 (no date) 1954 El Europe
Rumania EDI

sentative of all democratic elements of the population." Later, 648
at the Moscow Conference, the Western powers declared that 642
they would believe such a government existed as soon as repre-
sentatives of two political parties other than the Rumanian 666
Workers' Party had been named to ministerial posts, and as soon as satisfactory guarantees had been given that freedom of speech and assembly as well as the right to vote without constraint had been assured. Dr. Groza complied by appointing the two desired ministers to the Cabinet without portfolio and by announcing that free elections would be held soon; but, as was to be anticipated in view of the fact that the Russian Army held the country in an iron grip, the Rumanian Workers' Party received 90-odd per cent of the vote. The ministers without portfolio promptly resigned, and there was nothing the Western powers could do about it save to register an emphatic protest. This they did in language suitably designed for the occasion.

The elections referred to were held on November 19, 1946. [687]
Almost precisely a year later the leader of the principal opposition party, Dr. Juliu Maniu, was sentenced to life imprisonment for high treason. Unquestionably this able and farsighted Ruman, who had served the government and the people of Rumania well over many years and had been identified with every movement for reform and justice, was the foremost of the na-
tion's citizens. King Michael abdicated on December 30 of [642]
the same year and fled from his native land. Thereupon the "People's Republic" was proclaimed, and every source of potential opposition to it was ferreted out and suppressed. A Constitution of the usual kind was adopted on April 13, 1948.
Now no obstacle barred the way for putting the Soviet paradise [491]
plan into effect. The principal productive enterprises were declared the property of the State, and this likewise became the sole arbiter of the educational system. Collective farming was introduced. A novelty was that new elections were held during

6: Shuster S-4 (no date) 1954 El Europe

Rumania EDI

made for the Jews, the Orthodox Church dealt with other confessions in an irenic manner. 795

Rumania profited greatly if temporarily from its sponsorship of the Allied cause during World War I. Territories were assigned to it which had traditionally belonged to Bulgaria, Hungary, and Russia, presenting the government with a number of problems with which it had not previously been concerned. Transylvania, taken from Hungary, had a population divided almost equally between Roman Catholics and Protestants. The Russian Orthodox Church was predominant in Bessarabia, once deeded to the Czar by the West. The Rumanians dealt with the situation in a manner both intelligent and conciliatory. After the favored status of the Greek Orthodox Church had been defined, laws regulating the Confessions were passed during April, 1928. They carefully safeguarded the rights of the State and specifically forbade clergymen to embark on seas of foreign policy of their own charting, but acknowledged the right of the Churches to give religious instruction in public and private schools, and to conduct charitable enterprises. The government also signed a Concordat with the Holy See in 1927, with which the Vatican had no reason to be dissatisfied. 653 795 648

The Concordat conceded to the Catholic Church in all its branches, regular and secular, a large measure of legal protection. Stipulating that ecclesiastical properties must be used for the benefit of Rumanian citizens, and that the income therefrom was subject to audit by the government, it authorized the Church to create a "Sacred Diocesan Fund" to be administered by the Hierarchy. It also promised to add to the Fund if this proved to be inadequate to meet the expenses of necessity incurred by religious foundations. The Catholic clergy were asked to take an oath of allegiance to the King, to the Constitution, and to the laws of the nation. The government agreed not 657 648 794 793

6: Shuster S-4 (no date) 1954 El Europe

Rumania EDI

653 to intervene to secure the appointment of clergymen, but re-
● 648 quested that it be informed in each instance. These laws were
794 modified under the rule of the Iron Front, in order to make
793 possible the persecution of the Jews. Christian communions appear, however, not to have been affected.

659 When a pro-Communist government was formed in Ru-
177 mania, the situation changed immediately and radically. The
671 laws adopted in 1928 were repealed by a decree of August 4, 1948. As usual in Soviet-inspired constitutions, freedom of conscience, of religion, and of worship was assured. Freedom was conceded to all creeds to organize and conduct their own ecclesiastical endeavors so long as they did nothing to jeopardize "public security and public order." The last proviso was, as always, the Trojan horse by means of which the conquerors would enter the citadel. For what were public security and order? The government reserved the right to determine; and in this case the "government" was and could only be the local soviet under which a poor cleric was to live and move and have his being. As a matter of fact, the system under which the Rumanian Communist Party functioned was simplicity itself. The list of electors registered in 1946 was kept up to date by striking off the names of all who had in some manner or other manifested hostility to the "people." The possessor of a name thus purged might retain the right to worship wherever he pleased, but was of course deprived of any opportunity to draw a salary from the State or to hold a position of public trust.

671 Indeed, the law went much further. Article 25 provided that

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> the Ministry of Religious Affairs shall suspend any decision, instruction, or directive, as well as any order having an ecclesiastical character, whether administrative, cultural, educational, or caritative, or pertaining to endowments, if it is not in keeping with the *status of the* denomination in the act by which it has been established, or is inimical to public security, public order or morals. Pastoral and circular letters

6: Shuster S-4 (no date) 1954 El Europe

Rumania EDI

Communists gained control of a satellite country; but in Rumania it could be attained with relative ease. 659 798

The first blow was struck in July, 1948, when the Concordat [648] with the Holy See was revoked. Other decrees subordinating the Church to the State were passed soon thereafter. The Catholic Bishops manifested heroic valor and steadfastness. When their schools were expropriated, their caritative enterprises forbidden, their press closed down, and their religious orders suppressed, they protested. It did not seem meet and just to them that children should be prevented from coming to church, faithful men and women carted off to labor camps on trumped-up charges, or that loud-speakers should blare from one end of the day to the other accusatory comments which were in essence monstrous blasphemies. Our time has grown accustomed to thinking that only patriotic feeling, only the sense of solidarity with the nation to which we belong, can engender the resolution to make every sacrifice that becomes necessary. Therefore the spectacle of a few elderly men who accept every scourge of tyranny with patience because the Lord Jesus has willed that they do so has for us a quality which transcends fortitude—a quality which is the ultimate secret aura of what men for thousands of years have called freedom of conscience. This freedom, perhaps more than any other, is the counterpart of obedience—*usque ad mortem*, even to the death, as the Catholic liturgy says over and over.

Here is just one quotation, from a letter addressed by the Bishops to the President of the People's Republic: 659 793

> We believe, Your Excellency, that the moment has come when we should no longer keep silence by reason of patriotic considerations, but should rather give expression to our sorrow. The measures which have been taken by the Government are extremely injurious to the welfare of the citizens of the Rumanian People's Republic. Nor should we abstain from making an emphatic protest against what has taken place

8: Armstrong S-4 (no date) 1951 EF1 Yugoslavia
Rumania ED1

XXII

"LET THE SPARROWS TWITTER"

> Governments are things that happen in cities.
> Ignazio Silone, "Fontamara"

000 HAPPY, they say, is the people that has no history. The history of the independent state of Rumania has ended, but it would be brash to say that Rumanians are happy. They are only mute.

648 The terminal date of Rumania's independence can be variously fixed. She was an Axis satellite during the war, and was supposed to have been liberated when Marshal Tolbukhin's armies drove out the Nazis and their puppet government. Whether she ever truly regained her independence, and if so just when she lost it again, is a question, but there will be little dispute that today she comes nearer being a constituent member of the U.S.S.R. than any other of the satellite states. Day by day the Rumanian bulge on the silhouette of the Soviet boa-constrictor grows smaller and smaller as the Communist digestive juices do their work, and today it looms not much larger than that caused by, say, the Ukraine. Moscow still permits Rumania to receive American, British, French and other diplomats in Bucharest; but their numbers are strictly limited, and they are forbidden to enter about two-thirds of the Rumanian national territory, including the Banat, the Bukovina, Moldavia and the Dobrudja. Similarly, she is allowed to maintain diplomatic missions of roughly equivalent size in the respective Western capitals. On the other hand, though the Ukrainian People's Soviet Republic is not qualified in Moscow's view to entertain foreign diplomats in Kiev even *à la Roumaine,* it does approach independence closely enough

8: Armstrong S-4 (no date) 1951 EF1 Yugoslavia
Rumania EDI

(as Stalin argued persuasively at Yalta) to deserve separate membership in the United Nations. The voice of the Ukraine is therefore heard at Flushing Meadows—and is not to be despised, even though it is the voice of Jacob rather than Esau, for usually it has been that of Mr. Manuilsky, one of the most experienced revolutionary debaters extant. The voice of the Rumanian People's Republic is not heard there and is not paid much if any attention anywhere. 648

Before long the question will come up whether Rumania deserves even the title of satellite. This might be settled by Moscow's decision to bring her into the Soviet Union as one of the constituent member republics. Until now an argument against this has probably been the hope that she might one day be elected to membership in the United Nations, in exchange for Moscow's acceptance of some Western-sponsored candidate like Ireland or Portugal. But meanwhile the orbit in which she moves has so much shrunk that she no longer shines even by reflected light, and the chance that she might be considered entitled to membership in any world assembly of independent nations has greatly diminished. Foreign newspaper men no longer are allowed to report directly on what is occurring in the country. If elements of national resistance still exist we hear little or nothing of their activities.

Bucharest might have hoped to claim glory as the capital of the 665
Cominform, which she supposedly became when the organization 668
moved out of Belgrade. Even this is denied her, for the Cominform no longer meets regularly, in Bucharest or anywhere else. Perhaps the Soviet leaders see no further value in the organization. Perhaps Stalin has made up his mind not to permit any alternate center of power, even minor, to the Kremlin. Some persons think that the Cominform was created originally in order to deal specifically with the Jugoslav situation, and having fulfilled this function, though far from successfully, is now retained simply as a paper organization for possible use some time in the future. Today its principal activity is as a printing press. To the extent that glory attaches to being a printing press Bucharest has it. The Cominform journal, *For a Lasting Peace, for a People's Democracy!*, is printed there in some 15 languages.

The Cominform journal may even be written largely in Bucharest. 000

8: Armstrong S-4 (no date) 1951 EF1 Yugoslavia
Rumania EDI

treaties of 1919 and 1920.[1] The treaties as actually signed on 728 February 10, 1947, were no better. The Western Powers tried to arrange that some respect be paid to the principle of self-determination, by plebiscite or otherwise, in settling the ownership of territories in dispute between former Axis states or between them and the victors. They met with no success.

In Rumania's case several important territories were at stake, 648 including Bessarabia, a part of the Bukovina, the northern part of 728 Transylvania and the Southern Dobrudja.

Bessarabia had come into Russian possession first in 1812; had been transferred to Rumania (largely on ethnic grounds) in 1918; and had been retaken by Russia in June 1940, pursuant to an agreement between Ribbentrop and Molotov a year earlier. Rumanians have since asserted that the Rumanian Government of 1940 did not formally consent to the Russian annexation but merely evacuated the territory under threat of force. At Paris the Soviet delegates referred to the 1940 transfer as "an agreement," said it had been confirmed by the armistice and made clear that possession was nine-tenths of the law. The peace treaty confirmed this reasoning. The case of Northern Bukovina was somewhat different, though the decision of the peace conference regarding it was the same. Northern Bukovina never in history had been Russian. The province had not been specifically mentioned in the Molotov-Ribbentrop deal of 1939; but Germany had not protested when the Soviets took it over in 1940. The Soviets argued that, as in the case of their territorial demands on the Czechs and the Finns, they required the area for strategic purposes of defense. The bear must protect itself against the carnivorous lamb.[2]

One decision was to Rumania's advantage. In 1940 Ciano and Ribbentrop had handed over the northern part of the Rumanian province of Transylvania to their protégés the Hungarians. When Vyshinsky installed Groza in power in Bucharest on March 6, 1945, he felt that he must give the new Prime Minister some success to

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[1] John C. Campbell, "The United States in World Affairs, 1945–1947." New York: Harper's, for the Council on Foreign Relations, 1947, p. 134.

[2] Rumania ceded the Southern Dobrudja to Bulgaria September 7, 1940. The Peace Conference confirmed this also. The United States had favored this arrangement in 1919 and approved it in 1940.

8: Armstrong S-4 (no date) 1951 EF1 Yugoslavia
Rumania EDI

● 648 advertise to the Rumanian masses, most of whom had never heard 728 his name. On March 8, therefore, Groza was told to ask Stalin for northern Transylvania, and by return telegram he received it as a "present." The Nazis had not yet been expelled from Budapest, so there was nobody there for Moscow to take into account. The Western Allies were not consulted. As a matter of fact, they had no objection to the return of at least most of Transylvania to Rumania, but would have preferred that it be done after study as to whether or not there should be frontier rectifications in favor of Hungarian ethnic groups; and they certainly would have considered it more suitable that the transfer be made after agreement among the Allies rather than unilaterally by one of them.

665 668 The steps by which the Communist-dominated Rumanian Government became an absolute Communist dictatorship need not be detailed here.[3] In the beginning there certainly were some non-Communist elements which favored a clean sweep of the old order even though the representatives of the new order were Communists and protégés of the hated Russians. Seizure of the large properties still left in Rumania after the land reforms following the First World War was popular in principle. Rumanian régimes of the inter-war period had not been noted for efficiency or probity, and the Communists hastened to identify all Rumanian statesmen who held democratic beliefs and had a Western orientation with the "old gang" of profiteers and politicians who had mocked the Constitution in the dissolute days of King Carol and had ended by taking Rumania into the war as the ally of the Nazis. The fact that Maniu, the country's leading statesman, was famous for his incorruptibility and stubborn devotion to the Constitution did not deter Communist propaganda from picturing him also as a corrupt relic of the old dictatorial order. The Socialists were, of course, completely outbid by Communist promises of pie in the sky.

665 241 423 But although these tactics had some success at first the only one of them that was based on anything substantial, the gift of land to

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[3] For a fuller outline of the postwar evolution in Rumania as well as other parts of Eastern Europe, and of relevant negotiations (if they can be called that) between the Soviets and the Western Powers, see Campbell, *op. cit.*, also volumes for 1947–48 and 1948–49 in the same series by the same author, and the volume for 1949 by Richard P. Stebbins.

8: Armstrong S-4 (no date) 1951 EF1 Yugoslavia
Rumania EDI

185 Output of oil is to be doubled, of iron and steel nearly doubled. Though the socialization of agriculture is of course to be pushed, Mme. Pauker said nothing about class warfare in the villages nor did she emphasize the leading rôle of the industrial proletariat, as had been done by other satellite leaders as well as by her own colleagues in the Central Committee, Georgescu and Luca.

185 Perhaps geography supplies an answer to why Moscow slated
●649 Rumania but not Jugoslavia and Bulgaria for industrialization. The latter are more distant from Soviet Russia and would be much more exposed to enemy air attack in case of war. Rumania adjoins the Soviet Union; and although it is true that her oil fields were bombed from North Africa and Italy in the last war, they could be given air protection more easily than could the industrial installations in the other two countries. The same considerations apply, though in less degree, to Hungary; but in any case industrialization there was already considerably advanced. Rumania and Hungary, moreover, were destined in the Soviet planning to remain indefinitely under occupation by Soviet troops.

The favor shown by Soviet planners for developing heavy industry even in situations where it seems particularly unnatural, as in Rumania, is partly inspired, of course, by their desire to proletarianize the population as quickly as possible. But more important, perhaps, it also will increase the dependence of the satellites on the Soviet Union. Where else but in Russia can they hope to dispose of the product?

565 Despite all their adversities, present and planned, the peasants
626 nevertheless remain the great—probably the only—obstacle to Rumania's full Sovietization. All over Southeast Europe farming is more a way of life than an occupation, and nowhere is this truer than in Rumania. Coercion will gradually break the Rumanian peasant of this way of life. As we have seen, however, the régime has so far made no claims to spectacular progress. Evidence that formidable difficulties are being encountered is found in the fact that while Georgescu, Luca and others stress complete proletarianization as the goal and hint at violent methods to attain it, they make excuses for not proceeding faster; and at the same time there continues to be conciliatory talk about getting the "freely given consent of the peasants."

Bulgaria EE1
Rumania ED1

B 342 233 with straw roofs. They are rarely plastered with mud. In western Sredna Gora, transportable sheep pens are used (Gellert, 1937: 169).

RUMANIA

R 361 175 177 648 In Rumania there exists a marked difference between settlements in the lowlands and those of the Carpathian Mountain region. While topograpny and the presence or absence of such building materials as stone, wood or clay are important factors, political considerations also played a significant role. With the beginning of the 18th century Greek influence became predominant in Moldavia and Wallachia. The Porte set up Greek rulers in these principalities, thus in reality the Rumanians were as much under Turkish dominion, although indirectly, as were the people of the Balkans. It was only after the rebellion of 1821 that Rumanian rulers were reinstated. During all periods of unrest and foreign invasion the mountains and forests served as areas of refuge; the Serbian hajduk has his counterpart in the Rumanian heydoick (Stratilesco, 1907: 30-34).

R 361 Location and Types of Settlements. The older settlements were in the nature of hamlets (catŭn). These were generally not built on the top of hills, but rather in depressions, on the edge of forests, R [133] and away from the military roads (Grothe, 1907: 54). In the hilly regions of Oltenia and Moldavia the villages were located close to a river or on the slope of a hill. Farmsteads are generally spaced fairly far apart, in no definite order. Villages may extend over two or three hills facing one another (Stratilesco, 1907: 205). R [491] Villages in the Wallachian plains are located close to the roads. The prevalent type is the road village; buildings are located on either side of the highway which forms the main road of the village. Larger villages may have additional cross-roads (Jänecke, 1918: 7). R [621] While mountain villages average a population of 350, the largest being around 700, villages of the plains average 700 and may reach 2000 (Grothe, 1907: 55).

R 342 House Types. Due to the scarcity of wood and stone in the plains, buildings are generally constructed of wicker and daub, in which technique the Rumanians are masters. The roof is made first, the walls afterwards. R [335] The principle posts are first set into the ground, then the studs of the outer walls and inner partitions are spaced at 1 to 2 foot intervals. After the roof has been formed walls are built up. Mud is kneaded down with the feet, mixed with straw, and shaped into lumps that take the place of bricks. These lumps are then set between the studs and left to dry (Stratilesco, 1907: 208). More often walls are of wickerwork, plastered inside and out with a mixture of mud, straw and cowdung to a thickness of 15-25 centimeters (Jänecke, 1918: 10). The rough walls are smoothed out by applying thinner and thinner layers of mud and cowdung mixture. They are then whitewashed inside and out. Floors of timber are recent; the floor is commonly of tamped earth.